

Supplemental Statement
Pursuant to Section 2 of the Foreign Agents Registration Act
of 1938, as amended

For Six Month Period Ending March 31, 2006
(Insert date)

I - REGISTRANT

1. (a) Name of Registrant

APCO Worldwide Inc.

(b) Registration No.

4561

(c) Business Address(es) of Registrant

700 12th Street, N.W.
Suite 800
Washington, D.C. 20005

2. Has there been a change in the information previously furnished in connection with the following:

- (a) If an individual:
- | | | | |
|-----------------------|------------------------------|-----------------------------|-----|
| (1) Residence address | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A |
| (2) Citizenship | Yes <input type="checkbox"/> | No <input type="checkbox"/> | |
| (3) Occupation | Yes <input type="checkbox"/> | No <input type="checkbox"/> | |
- (b) If an organization:
- | | | |
|--------------------------|---|--|
| (1) Name | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| (2) Ownership or control | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (3) Branch offices | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
- (c) Explain fully all changes, if any, indicated in items (a) and (b) above.
- See Attachment 2

IF THE REGISTRANT IS AN INDIVIDUAL, OMIT RESPONSE TO ITEMS 3, 4 AND 5(a).

3. If you have previously filed Exhibit C¹, state whether any changes therein have occurred during this 6 month reporting period.

Yes ☐ No ☒

If yes, have you filed an amendment to the Exhibit C? N/A Yes ☐ No ☐

If no, please attach the required amendment. N/A

¹ The Exhibit C, for which no printed form is provided, consists of a true copy of the charter, articles of incorporation, association, and by laws of a registrant that is an organization. (A waiver of the requirement to file an Exhibit C may be obtained for good cause upon written application to the Assistant Attorney General, Criminal Division, U.S. Department of Justice, Washington, DC 20530.)

4. (a) Have any persons ceased acting as partners, officers, directors or similar officials of the registrant during this 6 month reporting period? Yes ☐ No ☒

If yes, furnish the following information:

| Name | Position | Date connection ended |
|------|----------|-----------------------|
| N/A | | |

- (b) Have any persons become partners, officers, directors or similar officials during this 6 month reporting period? Yes ☐ No ☒

If yes, furnish the following information:

| Name | Residence address | Citizenship | Position | Date assumed |
|------|-------------------|-------------|----------|--------------|
| N/A | | | | |

5. (a) Has any person named in item 4(b) rendered services directly in furtherance of the interests of any foreign principal? N/A Yes ☐ No ☐

If yes, identify each such person and describe his service.

N/A

- (b) Have any employees or individuals, who have filed a short form registration statement, terminated their employment or connection with the registrant during this 6 month reporting period? Yes ☒ No ☐

If yes, furnish the following information:

| Name | Position or connection | Date terminated |
|------------------|------------------------|-----------------|
| See Attachment 5 | | |

- (c) During this 6 month reporting period, has the registrant hired as employees or in any other capacity, any persons who rendered or will render services to the registrant directly in furtherance of the interests of any foreign principal(s) in other than a clerical or secretarial, or in a related or similar capacity? Yes ☐ No ☒

If yes, furnish the following information:

| Name | Residence address | Citizenship | Position | Date assumed |
|------|-------------------|-------------|----------|--------------|
| N/A | | | | |

6. Have short form registration statements been filed by all of the persons named in Items 5(a) and 5(c) of the supplemental statement? N/A Yes ☐ No ☐

If no, list names of persons who have not filed the required statement.

N/A

II - FOREIGN PRINCIPAL

7. Has your connection with any foreign principal ended during this 6 month reporting period?

Yes ☐ No ☒

If yes, furnish the following information:

Name of foreign principal

Date of termination

N/A

8. Have you acquired any new foreign principal² during this 6 month reporting period?

Yes ☐ No ☒

If yes, furnish the following information:

Name and address of foreign principal

Date acquired

N/A

9. In addition to those named in Items 7 and 8, if any, list foreign principals² whom you continued to represent during the 6 month reporting period.

Government of Turkey

10. **EXHIBITS A AND B**

(a) Have you filed for each of the newly acquired foreign principals in Item 8 the following: N/A

| | | |
|------------------------|------------------------------|-----------------------------|
| Exhibit A ³ | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| Exhibit B ⁴ | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

If no, please attach the required exhibit. N/A

(b) Have there been any changes in the Exhibits A and B previously filed for any foreign principal whom you represented during the 6 month period? Yes ☐ No ☒

If yes, have you filed an amendment to these exhibits? Yes ☐ No ☐ N/A

If no, please attach the required amendment. N/A

² The term "foreign principal" includes, in addition to those defined in Section 1(b) of the Act, an individual organization any of whose activities are directly or indirectly supervised, directed, controlled, financed, or subsidized in whole or in major part by a foreign government, foreign political party, foreign organization or foreign individual. (See Rule 100(a) (9).) A registrant who represents more than one foreign principal is required to list in the statements he files under the Act only those principals for whom he is not entitled to claim exemption under Section 3 of the Act. (See Rule 208.)

³ The Exhibit A, which is filed on Form CRM-157 (Formerly OBD-67), sets forth the information required to be disclosed concerning each foreign principal.

⁴ The Exhibit B, which is filed on Form CRM-155 (Formerly OBD-65), sets forth the information concerning the agreement or understanding between the registrant and the foreign principal.

III - ACTIVITIES

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11. During this 6 month reporting period, have you engaged in any activities for or rendered any services to any foreign principal named in Items 7, 8, and 9 of this statement? Yes ☒ No ☐

If yes, identify each such foreign principal and describe in full detail your activities and services:

See Attachment 11

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12. During this 6 month reporting period, have you on behalf of any foreign principal engaged in political activity⁵ as defined below? Yes ☒ No ☐

If yes, identify each such foreign principal and describe in full detail all such political activity, indicating, among other things, the relations, interests and policies sought to be influenced and the means employed to achieve this purpose. If the registrant arranged, sponsored or delivered speeches, lectures or radio and TV broadcasts, give details as to dates and places of delivery, names of speakers and subject matter.

See Attachment 12

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13. In addition to the above described activities, if any, have you engaged in activity on your own behalf which benefits any or all of your foreign principals? Yes ☐ No ☒

If yes, describe fully.

N/A

⁵ The term "political activities" means any activity that the person engaging in believes will, or that the person intends to, in any way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

IV - FINANCIAL INFORMATION

14. (a) RECEIPTS-MONIES

During this 6 month reporting period, have you received from any foreign principal named in Items 7, 8, and 9 of this statement, or from any other source, for or in the interests of any such foreign principal, any contributions, income or money either as compensation or otherwise? Yes ☒ No ☐

If no, explain why.

N/A

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies⁶

| Date | From whom | Purpose | Amount |
|-----------------------|-----------|---------|--------|
| See Attachment 14A | | | |

Total

(b) RECEIPTS - FUND RAISING CAMPAIGN

During this 6 month reporting period, have you received, as part of a fund raising campaign⁷, any money on behalf of any foreign principal named in items 7, 8, and 9 of this statement? Yes ☐ No ☒

If yes, have you filed an Exhibit D⁸ to your registration? Yes ☐ No ☐ N/A

If yes, indicate the date the Exhibit D was filed. Date _____ N/A

(c) RECEIPTS - THINGS OF VALUE

During this 6 month reporting period, have you received any thing of value⁹ other than money from any foreign principal named in Items 7, 8, and 9 of this statement, or from any other source, for or in the interests of any such foreign principal? Yes ☐ No ☒

If yes, furnish the following information: N/A

| Name of foreign principal | Date received | Description of thing of value | Purpose |
|------------------------------|------------------|----------------------------------|---------|
|------------------------------|------------------|----------------------------------|---------|

^{6, 7} A registrant is required to file an Exhibit D if he collects or receives contributions, loans, money, or other things of value for a foreign principal, as part of a fund raising campaign. (See Rule 201(e).)

⁸ An Exhibit D, for which no printed form is provided, sets forth an account of money collected or received as a result of a fund raising campaign and transmitted for a foreign principal.

⁹ Things of value include but are not limited to gifts, interest free loans, expense free travel, favored stock purchases, exclusive rights, favored treatment over competitors, "kickbacks," and the like.

15. (a) DISBURSEMENTS – MONIES

During this 6 month reporting period, have you

(1) disbursed or expended monies in connection with activity on behalf of any foreign principal named in Items 7, 8, and 9 of this statement? Yes ☒ No ☐(2) transmitted monies to any such foreign principal? Yes ☐ No ☒

If no, explain in full detail why there were no disbursements made on behalf of any foreign principal.

N/A

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies, including monies transmitted, if any, to each foreign principal.

| Date | To whom | Purpose | Amount |
|--------------------------|---------|---------|--------|
| See Attachment 15A | | | |

Total

(b) DISBURSEMENTS – THINGS OF VALUE

During this 6 month reporting period, have you disposed of anything of value¹⁰ other than money in furtherance of or in connection with activities on behalf of any foreign principal named in Items 7, 8, and 9 of this statement?

Yes ☐ No ☒

If yes, furnish the following information:

| Date disposed | Name of person to whom given | On behalf of what foreign principal | Description of thing of value | Purpose |
|---------------|------------------------------|-------------------------------------|-------------------------------|---------|
|---------------|------------------------------|-------------------------------------|-------------------------------|---------|

N/A

(c) DISBURSEMENTS – POLITICAL CONTRIBUTIONS

During this 6 month reporting period, have you from your own funds and on your own behalf either directly or through any other person, made any contributions of money or other things of value¹¹ in connection with an election to any political office, or in connection with any primary election, convention, or caucus held to select candidates for political office?

Yes ☐ No ☒

If yes, furnish the following information:

| Date | Amount or thing of value | Name of political organization | Name of candidate |
|------|--------------------------|--------------------------------|-------------------|
|------|--------------------------|--------------------------------|-------------------|

N/A

^{10, 11} Things of value include but are not limited to gifts, interest free loans, expense free travel, favored stock purchases, exclusive rights, favored treatment over competitors, "kickbacks" and the like.

V - INFORMATIONAL MATERIALS

16. During this 6 month reporting period, did you prepare, disseminate or cause to be disseminated any informational materials ^{12?}
 Yes ☒ No ☐

IF YES, RESPOND TO THE REMAINING ITEMS IN SECTION V.

17. Identify each such foreign principal.

Government of Tukey

18. During this 6 month reporting period, has any foreign principal established a budget or allocated a specified sum of money to finance your activities in preparing or disseminating informational materials? Yes ☐ No ☒

If yes, identify each such foreign principal, specify amount, and indicate for what period of time.

N/A

19. During this 6 month reporting period, did your activities in preparing, disseminating or causing the dissemination of informational materials include the use of any of the following:

- | | | | |
|---|---|---|---|
| <input type="checkbox"/> Radio or TV broadcasts | <input type="checkbox"/> Magazine or newspaper articles | <input type="checkbox"/> Motion picture films | <input type="checkbox"/> Letters or telegrams |
| <input type="checkbox"/> Advertising campaigns | <input type="checkbox"/> Press releases | <input checked="" type="checkbox"/> Pamphlets or other publications | <input type="checkbox"/> Lectures or speeches |
| <input type="checkbox"/> Internet | <input type="checkbox"/> Other (specify) _____ | | |

20. During this 6 month reporting period, did you disseminate or cause to be disseminated informational materials among any of the following groups: NO

- | | | |
|--|---|---|
| <input type="checkbox"/> Public Officials | <input type="checkbox"/> Newspapers | <input type="checkbox"/> Libraries |
| <input type="checkbox"/> Legislators | <input type="checkbox"/> Editors | <input type="checkbox"/> Educational institutions |
| <input type="checkbox"/> Government agencies | <input type="checkbox"/> Civic groups or associations | <input type="checkbox"/> Nationality groups |
| <input type="checkbox"/> Other (specify) _____ | | |

21. What language was used in the informational materials:

- ☒ English ☐ Other (specify) _____

22. Did you file with the Registration Unit, U.S. Department of Justice a copy of each item of such informational materials disseminated or caused to be disseminated during this 6 month reporting period? N/A Yes ☐ No ☐

23. Did you label each item of such informational materials with the statement required by Section 4(b) of the Act?
 Yes ☐ No ☒ *

*Registrant prepared informational materials attached hereto as Exhibit A for delivery to foreign principal.

12 The term informational materials includes any oral, visual, graphic, written, or pictorial information or matter of any kind, including that published by means of advertising, books, periodicals, newspapers, lectures, broadcasts, motion pictures, or any means or instrumentality of interstate or foreign commerce or otherwise. Informational materials disseminated by an agent of a foreign principal as part of an activity in itself exempt from registration, or an activity which by itself would not require registration, need not be filed pursuant to Section 4(b) of the Act.

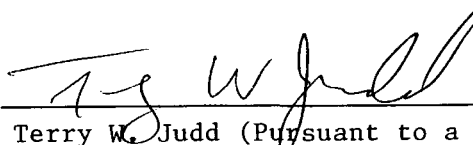
VI – EXECUTION

In accordance with 28 U.S.C. §1746, the undersigned swear(s) or affirm(s) under penalty of perjury that he/she has (they have) read the information set forth in this registration statement and the attached exhibits and that he/she is (they are) familiar with the contents thereof and that such contents are in their entirety true and accurate to the best of his/her (their) knowledge and belief, except that the undersigned make(s) no representation as to the truth or accuracy of the information contained in the attached Short Form Registration Statement(s), if any, insofar as such information is not within his/her (their) personal knowledge.

(Date of signature)

(Type or print name under each signature¹³)

4-27-06



Terry W. Judd (Pursuant to a Power of Attorney previously filed)

13 This statement shall be signed by the individual agent, if the registrant is an individual or by a majority of those partners, officers, directors or persons performing similar functions, if the registrant is an organization, except that the organization can, by power of attorney, authorize one or more individuals to execute this statement on its behalf.

Vice President Public Affairs
Title



U.S. Department of Justice

Criminal Division

Washington, DC 20530

THIS FORM IS TO BE AN OFFICIAL ATTACHMENT TO YOUR CURRENT SUPPLEMENTAL STATEMENT -
PLEASE EXECUTE IN TRIPLICATE

SHORT-FORM REGISTRATION INFORMATION SHEET

SECTION A

The Department records list active short-form registration statements for the following persons of your organization filed on the date indicated by each name. If a person is not still functioning in the same capacity directly on behalf of the foreign principal, please show the date of termination.

Short Form List for Registrant: APCO Worldwide, Inc.

| Last Name | First Name and Other Names | Registration Date | Termination Date | Role |
|------------|----------------------------|-------------------|------------------|------|
| Bissen | Robert J. | 03/07/1994 | | |
| Bonker | Don L. | 03/30/1993 | | |
| Downen | Robert L. | 07/28/2004 | | |
| Hannaford | Peter D. | 09/13/2002 | | |
| Hausrath | Jan | 02/03/1994 | | |
| Judd | Terry W. | 02/26/1992 | | |
| Kraus | Margery | 09/03/1991 | | |
| Krause | Charles A. | 03/09/2001 | | |
| Namsrai | Ariuna | 10/17/2001 | | |
| Peterson | J.E. | 05/07/1999 | | |
| Riegle | Donald W. Jr., | 01/30/2002 | | |
| Schumacher | Barry J. | 09/03/1991 | | |
| Solarz | Stephen J. | 08/07/1996 | | |
| Williams | Jaselle | 11/15/2000 | 11/1/2005 | |



U.S. Department of Justice

Criminal Division

Washington, DC 20530

SECTION B

In addition to those persons listed in Section A, list below all current employees rendering services directly on behalf of the foreign principals(s) who have not filed short-form registration statements. (Do not list clerks, secretaries, typists or employees in a similar or related capacity). If there is some question as to whether an employee has an obligation to file a short-form, please address a letter to the Registration Unit describing the activities and connection with the foreign principal.

N/A

| Name | Function | Date Hired |
|------|----------|------------|
| | | |
| | | |
| | | |
| | | |
| | | |

Signature: Tey W. J. [Signature]

Date: 4-27-06

Title: Vice President Public Affairs

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ATTACHMENT 2

2. Has there been a change in the information previously furnished in connection with the following:

(a) If an individual: N/A

| | | |
|-----------------------|---------|--------|
| (1) Residence address | Yes [] | No [] |
| (2) Citizenship | Yes [] | No [] |
| (3) Occupation | Yes [] | No [] |

(b) If an organization:

| | | |
|--------------------------|-----------|----------|
| (1) Name | Yes [] | No [X] |
| (2) Ownership or control | Yes [X] | No [] |
| (3) Branch offices | Yes [X] | No [] |

(c) Explain fully all changes, if any, indicated in items (a) and (b) above.

The Registrant issued additional shares to employees under its employee stock ownership plan.

Attached is a complete list of the registrant's branch and affiliated offices.

11/13/13

APCO Worldwide

Office Addresses

Legal Name: **APCO Worldwide Inc.**
(DC)
700 12th Street, N.W.
Suite 800
Washington, DC 20005
Phone: 202-778-1000
Fax: 202-466-6002/4/6

Legal Name: **APCO Worldwide Inc.**
(Chicago)
343 West Erie Street
Suite 510
Chicago, IL 60610
Phone: 312-440-8686
Fax: 312-440-7373

Legal Name: **APCO Worldwide Inc.**
(Moscow)
Representative Office:
27 Petrovka Street
Building 1, Third Floor
Moscow 107031
Russia
Phone: +7-495-937-5525
Fax: +7-495-937-5526

Legal Name: **APCO Worldwide Inc.**
(New York)
30 Rockefeller Plaza
28th Floor
New York, New York 10112
Phone: 212-300-1800
Fax: 212-300-1819

Legal Name: **APCO Worldwide Inc.**
(Sacramento)
1215 K Street
Suite 1500
Sacramento, CA 95814
Phone: 916-554-3400
Fax: 916-554-3434

Legal Name: **APCO Worldwide Inc.**

(Seattle)
520 Pike Street
Suite 1001
Seattle, WA 98101-1385
Phone: 206-224-4340
Fax: 206-224-4344

Legal Name: **APCO Asia Limited**
Principal Office:
9/F, Cambridge House
TaiKoo Place
979 King's Road
Hong Kong
Phone: +852-2866-2313
Fax: +852-2866-1917

Legal Name: **APCO Asia Limited**
Representative office:
16th Floor, NCI Tower
12 A Jianguomenwai Avenue
Chaoyang District
Beijing 100022
People's Republic of China
Phone: +86-10-6505-5127
Fax: +86-10-6505-5257

Legal Name: **APCO Asia Limited.**
Representative office:
Suites 2102-2103 CITIC Square
1168 Nanjing Road West
Shanghai 200041
People's Republic of China
Phone: +86-21-5298-4668
Fax: +86-21-5298-4669

Legal Name: **APCO Asia Limited**
Representative office:
A1309, Tower A, Centre Plaza
161 Linhe Xi Road
Tianhe District
Guangzhou 510620
People's Republic of China
Phone: +86-20-3825-1955
Fax: +86-20-3825-1016

Legal Name: **APCO Asia Limited**
(Singapore)

Representative office:
37/F Singapore Land Tower
50 Raffles Place
Singapore 048623
Phone: 65-6829-7189
Fax: 65-6829-7070

Legal Name: **APCO (Beijing) Consulting Company Limited**
16F NCI Tower
12A Jianguomenwai Avenue
Chao Yang District
Beijing 100022

Legal Name: **Batey Burn Limited**
Principal office:
Unit 508, 5th Floor,
TRANCO Building
83A Ly Thuong Kiet Street
Hoan Kiem District
Hanoi
Vietnam
Phone: +84-4-9422-221/219/217
Fax: +84-4-9422-224

Legal Name: **Batey Burn Limited**
Principal office:
Unit 12, 4th Floor, Saigon
Centre Building
65 Le Loi
District 1
Ho Chi Minh City
Vietnam
Phone: +84-8-821-7895/827-0232
Fax: +84-8-821-7895

Legal Name: **APCO Canada Ltd.**
255 Albert Street
Suite 703
Ottawa, Ontario
K1P 6A9 Canada
Phone: 613-565-4242
Fax: 613-565-1937
Legal Name: **APCO Deutschland GmbH**
(Berlin)
Kontorhaus Mitte

APCO Worldwide

Office Addresses

Haus F, 8. Stock
Friedrichstraße 186
10117 Berlin
Germany
Phone: +49-30-59-000-2010
Fax: +49-30-59-000-2020

Legal Name: **APCO
Deutschland GmbH**
(Bonn)
Poppelsdorfer Allee 114
53115 Bonn
Germany
Phone: +49-228-604-850
Fax: +49-228-604-8520

Legal Name: **APCO Europe
S.A.**
(Brussels)
Rue du Trône 130 Troonstraat
B-1050 Brussels
Belgium
Phone: +32-2-645-9811
Fax: +32-2-645-9812

Legal Name: **APCO France
SARL**
(Paris)
8 rue de la Michodière
75002 Paris
France
Phone: +33-1-44-94-8666
Fax: +33-1-44-94-8668

Legal Name: **APCO Global
Trade Practice SA**
(Geneva)
17, chemin Louis-Dunant
1202 Geneva
Switzerland
Phone: +41-22-919-1979
Fax: +41-22-919-1970

Indonesia
Legal Name: **P.T. APCO
Indonesia**
(Jakarta)
10th floor, World Trade Center
Jl. Jend. Sudirman Kav. 29-31
Jakarta 12920
Indonesia

Phone: +62-21-5296-4611
Fax: +62-21-5296-4610

Israel
Legal Name: **APCO
Worldwide Ltd.**
(Israel)
The Diamond Tower
3a Jabotinsky Street
Ramat Gan 52520
Israel
Phone: +972-3-613-5024
Fax: +972-3-613-5023

Legal name: **APCO Italy
S.p.a.**
(Rome)
Via Condotti 61/A
00187 Rome
Italy
Phone: +39-06-697-6661
Fax: +39-06-679-2391

Legal Name: **APCO Scotland
Limited**
(Glasgow)
HMS Secretaries Limited
The Ca'd'oro
45 Gordon Street
Glasgow G1 3PE
Scotland
Phone: +44-141-221-8888
Fax: +44-141-226-4198

South Africa
Legal Name: **APCO Africa
(Proprietary) Limited**
(Johannesburg)
Arcay House
Number 3 Anerley Road
Parktown 2139
Johannesburg
South Africa
Phone: +27-11-480-8555
Fax: +27-11-480-8556

Legal Name: **APCO UK
Limited**
(London)
90 Long Acre, Covent Garden
London, WC2E 9RZ
United Kingdom
Phone: +44-207-526-3600
Fax: +44-207-526-3699

ATTACHMENT 5

14. (a) Has any person named in item 4(b) rendered services directly in furtherance of the interests of any foreign principal?

N/A Yes ☐ No ☐

- (b) Have any employees or individuals, who have filed a short form registration statement, terminated their employment or connection with the registrant during this 6 month reporting period.

Yes ☒ No ☐

If yes, furnish the following information:

| Name | Position or connection | Date terminated |
|------------------|------------------------|------------------|
| Jaselle Williams | Vice President | November 1, 2005 |

Ms. Williams moved to London and became an employee of APCO UK Ltd. as of November 1, 2005.

- (c) During this 6 month reporting period, has the registrant hired as employees or in any other capacity, any persons who rendered or will render services to the registrant directly in furtherance of the interests of any foreign principal(s) in other than a clerical or secretarial, or in a related or similar capacity?

Yes ☐ No ☒

If yes, furnish the following information:

| Name | Residence address | Citizenship | Position | Date assumed |
|------|-------------------|-------------|----------|--------------|
|------|-------------------|-------------|----------|--------------|

N/A

SEE ATTACHED

ATTACHMENT 5

PAGE 1

ATTACHMENT 11

11. During this 6 month reporting period, have you engaged in any activities for or rendered any services to any foreign principal named in Items 7, 8, and 9 of this statement?

Yes [X] No []

If yes, identify each such foreign principal and describe in full detail your activities and services:

Government of Turkey

The Registrant held strategy discussions with and prepared briefing materials for the foreign principal's use in promoting positive U.S./Turkey relations. The Registrant also assisted the foreign principal in communicating with the press in the interests of promoting positive U.S./Turkey relations. See also the response to Question 12.

ATTACHMENT 12

12. During this 6 month reporting period, have you on behalf of any foreign principal engaged in political activity as defined below?

Yes [X] No []

If yes, identify each such foreign principal and describe in full detail all such political activity, indicating, among other things, the relations, interests and policies sought to be influenced and the means employed to achieve this purpose. If the registrant arranged, sponsored or delivered speeches, lectures or radio and TV broadcasts, give details as to dates, places of delivery, names of speakers and subject matter.

Government of Turkey

The Registrant contacted by telephone Representative Norm Dicks on March 10, 2006, regarding a PBS-sponsored panel discussion on the alleged Armenian genocide for the purpose of promoting positive U.S./Turkey relations.

In addition, the Registrant held discussions with the foreign principal to develop strategies for promoting positive U.S./Turkey relations in connection with the visit of Minister Kür ad Tüzmen to the United States in March 2006. The Registrant prepared briefing materials for distribution by the foreign principal at a lecture given by Minister Tüzmen and hosted by the Institute of International Economics on March 27, 2006, in Washington, DC. The lecture was attended by representatives of academia, members of Congress, the press and the Registrant. The Registrant also attended meetings on March 27, 2006, between Minister Tüzmen and representatives of the *Dallas Morning News*, *Inside U.S. Trade* and *Forbes Magazine*, in each case for the purpose of promoting positive U.S./Turkey relations.

ATTACHMENT 14A

14. (a) RECEIPTS -- MONIES

During this 6 month reporting period, have you received from any foreign principal named in Items 7, 8, and 9 of this statement, or from any other source, for or in the interests of any such foreign principal, any contributions, income or money either as compensation or otherwise?

Yes ☒ No ☐

If no, explain why.

N/A

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies.

| Date | From Whom | Purpose | Amount |
|------|-----------|---------|--------|
|------|-----------|---------|--------|

SEE ATTACHED

FARA Report
Payments Received
10/1/05 - 3/31/06

| <u>DATE</u> | <u>FROM WHOM</u> | <u>PURPOSE</u> | <u>AMOUNT</u> |
|-----------------------|----------------------|------------------------------------|--------------------|
| 10/30/2005 | Government of Turkey | For Professional Services Rendered | \$27,500.00 |
| 1/26/2006 | Government of Turkey | For Professional Services Rendered | \$27,500.00 |
| TOTAL PAYMENTS | | | \$55,000.00 |

ATTACHMENT 15A

15. (a) DISBURSEMENTS —MONIES

During this 6 month reporting period, have you

- (1) disbursed or expended monies in connection with activity on behalf of any foreign principal named in Items 7, 8, and 9 of this statement?

Yes [X] No []

- (2) transmitted monies to any such foreign principal?

Yes [] No [X]

If no, explain in full detail why there were no disbursements made on behalf of any foreign principal.

N/A

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies, including monies transmitted, if any, to each foreign principal.

| Date | To Whom | Purpose | Amount |
|------|---------|---------|--------|
|------|---------|---------|--------|

SEE ATTACHED

10/01/2005-03/31/2006

Page 2

Foreign Agency Report
Expenses
10/01/2005-03/31/2006

| | | Local Trans. | Meals | Office Expenses | Travel | Other | Notes |
|----------------------------|------------------|-----------------|----------|--------------------|--------|-------|-------|
| 03/20/06 | APCO Telephone | | | 0.84 | | | |
| 03/22/06 | APCO Duplication | | | 1.60 | | | |
| 03/22/06 | APCO Duplication | | | 1.60 | | | |
| 03/22/06 | APCO Duplication | | | 0.20 | | | |
| 03/23/06 | APCO Duplication | | | 2.00 | | | |
| 03/23/06 | APCO Telephone | | | 2.52 | | | |
| 03/23/06 | APCO Telephone | | | 1.26 | | | |
| 03/23/06 | APCO Telephone | | | 1.26 | | | |
| 03/23/06 | APCO Telephone | | | 2.52 | | | |
| 03/23/06 | APCO Duplication | | | 0.20 | | | |
| 03/24/06 | APCO Telephone | | | 5.88 | | | |
| 03/24/06 | APCO Duplication | | | 40.00 | | | 4 |
| 03/24/06 | APCO Duplication | | | 4.00 | | | 4 |
| 03/24/06 | APCO Duplication | | | 47.20 | | | 4 |
| 03/24/06 | APCO Duplication | | | 19.80 | | | 4 |
| 03/24/06 | APCO Duplication | | | 6.00 | | | 4 |
| 03/24/06 | APCO Duplication | | | 480.60 | | | 4 |
| 03/24/06 | APCO Duplication | | | 3.00 | | | 4 |
| 03/24/06 | APCO Duplication | | | 6.00 | | | 4 |
| 03/24/06 | APCO Duplication | | | 588.00 | | | 4 |
| 03/24/06 | APCO Duplication | | | 375.00 | | | 4 |
| 03/24/06 | APCO Duplication | | | 300.00 | | | 4 |
| 03/24/06 | APCO Duplication | | | 40.00 | | | |
| 03/24/06 | APCO Facsimile | | | 18.00 | | | |
| 03/24/06 | APCO Telephone | | | 7.20 | | | |
| 03/24/06 | APCO Telephone | | | 1.20 | | | |
| 03/24/06 | APCO Telephone | | | 13.20 | | | |
| 03/24/06 | APCO Telephone | | | 2.40 | | | |
| 03/24/06 | APCO Facsimile | | | 2.00 | | | |
| 03/24/06 | APCO Facsimile | | | 2.00 | | | |
| 03/24/06 | APCO Facsimile | | | 2.00 | | | |
| 03/28/06 | APCO Duplication | | | 225.00 | | | 4 |
| 03/28/06 | APCO Telephone | | | 0.84 | | | |
| 03/28/06 | APCO Telephone | | | 0.84 | | | |
| 03/28/06 | APCO Telephone | | | 0.84 | | | |
| 03/28/06 | APCO Facsimile | | | 4.00 | | | |
| 03/28/06 | APCO Facsimile | | | 4.00 | | | |
| 03/28/06 | APCO Facsimile | | | 4.00 | | | |
| 03/29/06 | APCO Duplication | | | 4.60 | | | |
| 03/30/06 | APCO Telephone | | | 0.42 | | | |
| Total Government of Turkey | | | 3,307.47 | | | | |

NOTES:

1. Courier services related to communications with foreign principal.
2. Journal and directory subscriptions.
3. FARA filing fee.
4. Duplication of materials for foreign principal.



Inaugurated by: H.E. Kürşad Tüzmen

Minister of State for Foreign Trade
Washington, D.C., March 2006

H.E. KÜRŞAD TÜZMEN

Kürşad Tüzmen is a Member of Parliament of the Republic of Turkey and has been serving as the Minister of State in charge of Foreign Trade and Customs in the Turkish Government since 2002. In that capacity, he works to open and expand new markets for Turkish goods and services around the world.

Under his leadership in implementing the country's Trade Development Strategies, Turkish exports reached \$US 73.4 billion in 2005 marking an increase of over 100 percent in the last three years. Today, foreign trade constitutes 53 percent of the GDP, and reached US\$190 billion in 2005 compared to US\$88 billion in the year 2002. Besides those improvements in foreign trade, Turkey's GNP grew by an annual rate of 7.4 percent between 2002 and 2005 while inflation was reduced to below 10 percent over the same time period, which used to be over 40% before 2002.

Prior to his current position, Minister Tüzmen served in various government posts including: Undersecretary of Foreign Trade, Deputy Undersecretary of Foreign Trade and General Director of Free Zones. He has held several positions in the business sector including Chairman of the Board of Directors Turk Eximbank, Chairman of Board of Directors as well as Secretary General of Exports Promotion Center (IGEME), President and Member of the Executive Board of the World Economic Processing Zones Association (WEPZA).,

Minister Tüzmen holds a Masters of Business Administration degree from the University of Illinois, Department of International Business Administration and a Bachelor of Science degree from Middle East Technical University, Faculty of Economics and Administrative Sciences. He completed certification programs at Mercey Docks & Harbour Co, Liverpool, in Management of Free Zones and in Economics of Development at Anglia University, England. He also completed studies on "foreign trade and free zones" in Ireland, Denmark, Egypt, Singapore and South Korea supported by Organization for Economic Cooperation and Development (OECD), the United Nations, and British Council scholarships. He has been published in various journals about economy and foreign trade and completed his proficiency thesis on "Examination of Free Zones with Respect to The Theory of Competitive Advantage."

Minister Tüzmen who is married with two children, was born in 1958 in Ankara, Turkey. He is fluent in English and German. As a former swimmer, he won the championship of 1999, 2000, 2001 and 2004 Boğaziçi Swimming Competitions. He is also a professional scuba-diver and a member of Ankara Scuba Club. He is active in the Middle East Technical University (METU) Alumni Society.

Minister Tüzmen holds many professional awards including "Bureaucrat of the Year 1999" by *The World Newspaper*, the best Public Sector Manager of year 2000 by the Mediterranean Press Association, the "Bureaucrat of the Year 2001" by *The World Newspaper*, "Bureaucrat of the Year 2001" by *Economist Magazine* and "Minister of the Year 2003" by *Ecolife Magazine*.



Press Release

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Salih Cicek (202-612-6780)

2006-07 DECLARED “THE YEAR OF TURKEY IN AMERICA” *Turkish Government Seeks to Increase Trade with the United States*

WASHINGTON, March 27, 2006—In an effort to enhance U.S.- Turkish commercial relations, the government of Turkey has declared 2006-07 “The Year of Turkey in America,” in which Turkey will implement a trade development strategy focusing on increasing trade between the two countries and attracting new American investment to Turkey.

Speaking at the 25th Annual Conference on U.S.-Turkish relations, Turkey’s State Minister for Foreign Trade, H.E. Kürşad Tüzmen told the attendees that the time is right for improving economic relations due to Turkey’s phenomenal era of transition and transformation.

“We believe that economic growth accompanied by job creation is the main driving force behind sustainable development and is an important prerequisite for maintaining peace and stability both in the world and in our region,” said Tüzmen. “Over the past several years, Turkey has strengthened its economy with the aim of achieving sustainable economic development. Turkey’s gross national product grew by almost one third in over the past three years and our economy is expected to surpass Sweden, Belgium and Switzerland in 2006 and become the 13th largest economy in the world.”

However, despite historically being one of Turkey’s most important trading partners, the United States has lagged behind other regions in trade. For example, between 2000 and 2005, bilateral trade with the U.S. increased from \$7 billion to \$10.5 billion, which constitutes less than 0.5 percent of all U.S. trade. This 50 percent increase fell far short of the 129 percent increase enjoyed by Turkey in its trade with the rest of the world.

“Compared with Turkey’s trade relations with the 10 largest economies of the world, growth in trade is the smallest with the U.S.” Tüzmen said. “For instance, our trade with Italy grew by 113 percent and with Canada, we achieve an 83 percent increase since 2000.”

To help close this gap, Tüzmen said that his government will launch a trade development strategy, called “The Year of Turkey in America,” to create more awareness among the American and Turkish business communities to enhance mutual trade and investment cooperation.

-More-

“Our approach will be sector and region specific, creating new and direct markets for our products, and also attracting investment into Turkey especially in high technology areas,” he said. “ We will initially target six states—New York, California, Illinois, Florida, Texas and Georgia, and conduct activities such as business to business communication between Turkish and American businessmen and seminars and workshops in major cities to help educate the business community about Turkey’s economic potential.”

Tüzmen said these six states are important because they represent 41 percent of total U.S. gross domestic product and almost 60 percent of U.S. total imports. In addition, they contain the 15 most important custom points in the U.S. Together, the six states represent 65 percent of the Turkish exports to the U.S. About one third of the Turkish exports to the U.S. go through New York, while Texas attracts about 11 percent of the Turkish exports. Accordingly, California’s share is 8 percent, Florida’s is 6 percent, Illinois’ is 3 percent and Georgia’s is 3 percent. These states also provide 55 percent of the Turkish imports from the United States. Their shares are Texas 23 percent, New York 22 percent, Georgia 6 percent, California 4 percent, Florida 3 and Illinois 3 percent.

Turkish exports to the U.S. include textile and apparel, steel products, jewelry, marble and ceramics and assorted food products. Key U.S. exports to Turkey include cotton, machinery, electronic equipment, airplanes and airplane parts and chemicals.

Turkey’s growth and development can be summarized in a few statistics for the 2002-05 time period: Turkey’s gross national product averaged 7.4% annual growth; over that same time span, annual inflation fell from 29.7 to 7.7 percent; the budget deficit as a percentage of gross domestic product fell from 14.7 to 3.1 percent; foreign direct investment increased from \$1.1 billion per year to \$6 billion; total foreign trade increased from \$88 billion to \$190 billion and now constitutes 53 percent of gross domestic product; and exports rose from \$36 billion to \$73.4 billion.

###

TURKEY AS AN EMERGING ECONOMIC POWERHOUSE AND ITS TRADE RELATIONSHIP WITH THE UNITED STATES

BACKGROUND

In 1993, the United States recognized that Turkey was one of the world's ten "Big Emerging Markets." Over the past 13 years, some of those other big emerging markets – China, India, Brazil, South Korea – have garnered much attention as they have grown and developed. Now it is Turkey's turn.

Since 2000, Turkey has embarked on an economic development course of action that holds inflation in check, lowers the public deficit, decreases the role of government in business, increases investments in education and infrastructure, brings new foreign companies to Turkey and focus on exports as an engine of growth. It has done so in part by working with major international institutions, such as the International Monetary Fund and the World Bank. As a result, Turkey is now a regional economic power with strong trade ties to Europe and its neighboring countries. It has a growing trade relationship with the United States but one that is not as robust as it should be. Under the leadership of its current State Minister for Trade, H.E. Kürşad Tüzmen, the Government of Turkey is launching a year long initiative declaring 2006-07 the "Year of Turkey in America to deepen its economic and commercial partnership with the U.S.

TURKEY'S STORY IN STATISTICS

Turkey's remarkable growth and development can be summarized in a few statistics for the 2002-05 time period:

- Turkey's gross national product averaged 7.4% annual growth.
- Over that same time span, annual inflation fell from 29.7% to 7.7%.
- The budget deficit as a percentage of GNP fell from 14.7% to 3.1%.
- Foreign direct investment increased from US\$1.1 billion per year to US\$6 billion.
- Total foreign trade increased from US\$88 billion to US\$190 billion and now constitutes 53% of gross domestic product.
- Exports rose from US\$36 billion to US\$73.4 billion.

TURKEY AND ITS TRADING PARTNERS

Turkey is a full participant in the world's trading system. It is a founding member of the World Trade Organization. It has a customs union with the European Union and is a candidate for membership. It has a free trade agreement with the EFTA nations and is part of Euro-Mediterranean Partnership, seeking a Mediterranean free trade agreement by

2010. It has bilateral free trade agreements with 6 regional trading partners, including Israel. It has signed a Trade and Investment Framework Agreement (TIFA) with the United States.

Europe is Turkey's largest single trading partner, accounting for 46% of its international trade flows. It has greatly increased its trade with its neighboring and surrounding countries from US\$22 billion in 2002 to US\$57 billion in 2005 making it a regional economic engine of growth. Its trade and investment with Israel are growing larger.

TURKEY AND THE UNITED STATES

Trade between Turkey and the United States is increasing. Between 2000 and 2005 bilateral trade increased from US\$7 billion to US\$10.5 billion which constitutes less than 0.5% of all U.S. trade. This 50% increase fell far short of the 129% increase enjoyed by Turkey in its trade with the rest of the world. Key Turkish exports to the U.S. are textile and apparel, steel products, jewelry, marble and ceramics and assorted food products. Key imports from the United States include cotton, machinery, electronic equipment, airplanes and airplane parts and chemicals.

Part of the reason why Turkish-U.S. trade has been limited is distance – Europe is simply much closer. Part of it is the competitive nature of the U.S. market – all exporters want a share of the world's largest market. Part of it was the fact that the majority of Turkish companies were not ready for the demanding and sometimes daunting nature of the U.S. market.

Today, all that has changed. Turkish companies are now world class producers of a wide range of products. Some are already well established in the United States. Moreover, the Turkish government has declared that 2006-07 will be "The Year of Turkey in America" in which Turkey will implement a trade development strategy focusing on increasing trade and bringing new American investment to Turkey through business to business meetings, trade shows, seminars, workshops and select events in key cities such as New York, Chicago, Los Angeles, Miami, Atlanta and Houston. The Minister of State for Trade, H.E. Kürşad Tüzmen will officially inaugurate this initiative on March 27 in Washington, DC.

Facts About
TURKEY'S ECONOMY AND FOREIGN TRADE



and
U.S. - TURKISH COMMERCIAL RELATIONS

Undersecretariat for Foreign Trade

March 2006

13
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13

Table of Contents

| | |
|---|----|
| Turkish Economy and Foreign Trade in Brief | 3 |
| Turkey-U.S. Commercial and Economic Relations | 6 |
| The North American Trade Enhancement Strategy and U.S. Market Access Project | 8 |
| U.S. Action Plan | 10 |
| Agricultural Products | 11 |
| Manufacturing | 16 |
| Clothing | 16 |
| Textiles | 17 |
| Leather and Leather Goods | 20 |
| Automotive and Auto Parts | 21 |
| Machinery | 22 |
| Chemical | 24 |
| Non Ferrous Metals | 25 |
| Gold Jewelry | 26 |
| Ceramics | 27 |
| Glass | 28 |
| Furniture | 29 |
| Marble | 29 |

TURKISH ECONOMY AND FOREIGN TRADE IN BRIEF

- There has been a striking improvement in Turkey's macroeconomic environment over the past four years. The country has achieved a remarkable turnaround since the devastating economic crisis of 2001 and has created the foundation for sustained growth. In the last 4 years, Turkey realized several structural reforms and is committed to continuing these reforms going forward.
- A comprehensive IMF-supported economic stabilization program, developed and implemented in response to the crisis of 2001, has been producing favorable results. Growth has been restored on a steady course, inflation is under control, and fiscal management has undergone substantial structural amelioration. Components of ongoing recovery included: strong growth, sharply falling inflation, and large productivity gains.
- The Turkish economy has experienced high and steady growth rates since 2002 due to the stabilization measures. The economy had shrunk 7.5% in terms of GDP and 9.5% in terms of GNP in the crisis year. Since then, revival has been uninterrupted and seems to be turning into genuine expansion as of 2005. In the last four years, GDP increased by 8.1%, 5.7%, 9.1% and 5% respectively. The Turkish economy reached to \$359.1 billion by the end of 2005, and is heading towards being a trillion dollar economy in the next decade.
- This economic growth is not the only achievement. Turkey has also achieved remarkable progress in the field of financial stability. In terms of year-on-year rises in the consumer price index, inflation decelerated from 68.5% at the end of 2001 to 9.3% at the end of 2004, and further to 8 % at the end of 2005, representing the lowest annual CPI figure for the last 35 years.
- Turkey's economy, which suffered from various exogenous and domestic shocks in the past, is now enjoying one of the longest stretches of economic growth. The Turkish economy grew by an average of 8% annually in the last three years. It is noteworthy that the private sector is the driving force in this boom.

Main Economic Indicators of Turkey

| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006(e) |
|---|-------|--------|--------|-------|--------|--------|---------|
| Growth and Employment | | | | | | | |
| GDP Real Growth Rate | 6.8 | -7.8 | 8.1 | 5.7 | 9.1 | 5 | 5 |
| GDP (Billion US\$) | 199.7 | 145.9 | 184.5 | 240.5 | 302.8 | 359.1 | 382 |
| GNI (US\$) | 2.963 | 2.134 | 2.662 | 240.5 | 4.256 | 4.982 | 5.235 |
| GDP (PPP, GDP) (Per Capita) | 6.82 | 6.155 | 6.55 | 240.5 | 7.756 | 8.428 | 9.017 |
| Population | 67.42 | 68.365 | 69.302 | 240.5 | 71.152 | 72.065 | 72.974 |
| Unemployment rate (%) | 6.5 | 8.4 | 10.3 | 240.5 | 10.3 | 9.7 | 9.7 |
| Foreign Trade Data | | | | | | | |
| Export (FOB) | 27.8 | 31.3 | 36.1 | 47.3 | 63.1 | 73.1 | 79 |
| Import (CIF) | 54.5 | 41.4 | 51.6 | 69.3 | 97.5 | 116 | 124.4 |
| Foreign Trade Balance | -26.7 | -10.1 | -15.5 | -22.1 | -34.4 | -42.9 | -45.4 |
| Current Account Balance | -4.9 | 2.3 | -0.8 | -3.3 | -5.2 | -5.9 | -5.8 |
| Price Indexes and Rate of Change | | | | | | | |
| Rate of Change in CPI | 39 | 68.5 | 29.7 | 18.4 | 9.3 | 8.5 | 5 |

- The ratio of public net debt to the GNP is expected to decrease below 60 percent by the end of 2005, levels representing a drop of more than 30 percent in just 4 years.
- The private sector investments that recorded an approximate 45% increase in 2004 have expanded by about 26% in the January-September period of 2005. This increase accounts for half of this year's

GDP growth. This is a clear indication that the Turkish economy has been moving very quickly to a new platform of sustainable economic growth.

- ❑ In 2006, Turkey put into force the first multi-year budget since the establishment of the Republic. The country is steadily progressing towards fulfilling the Maastricht criteria. The start of the accession negotiations with the EU will accelerate the process of structural transformation, and further reinforce economic and political stability.
- ❑ One of the key reasons behind this economic growth is the success of Turkish companies in exporting to foreign markets. Turkey's achievements on this front are extraordinary.
- ❑ Foreign trade is an important determinant in the Turkish economy. Following the transformation of Turkey's economic and trade policies in the early 80's, Turkish foreign trade has continuously expanded under liberal trade policies reaching a volume of \$190 billion as of the end of 2005.
- ❑ During this period, Turkey established a free market economy, liberalized its foreign trade and became highly integrated in the global economic system. The foreign trade policies shaped, as a result of this transformation process, have been based on an export-oriented industrialization model.
- ❑ Turkey's export performance has been especially spectacular in the last four years, thanks in part to both domestic and international developments. Turkey has been implementing new strategies to make this development sustainable and to diversify its exports and imports more on the regional and product basis.
- ❑ Exports, which were \$36 billion in 2002, reached \$73 billion in 2005, marking an increase of over 100%. Turkey has a diversified export base with manufacturing goods dominating a high percentage of its exports.
- ❑ When exports by main sectors are examined, we see a steady decrease in the share of exports of agricultural products until 2005. The share of agricultural products in total exports decreased from 21.3% in 1996 to 11.2% in 2005.
- ❑ On the contrary, the share of industrial products in total exports increased from 74.3% in 1996 to 81.9% in 2005.
- ❑ The change in the composition of exports towards more technology intensive products, such as automotive, electrical machinery and electronic equipment is a significant advantage for the sustainability of growth in exports.
- ❑ Clothing and textiles, automotives, electric and electronics, machinery, iron and steel industries, food products, and chemicals are the main leading sectors.
- ❑ The European Union, which is Turkey's biggest trading partner, accounts for more than 50% of Turkish exports. Near and Middle East is the second largest country group to which 13.8% of Turkish exports are directed. The share of American countries in Turkish exports is around 8% whereas African Countries have a share of 5% as of 2005.
- ❑ One of the driving forces behind this remarkable expansion is "The Trade Development Strategy with the Neighboring and Surrounding Countries," initiated in 2000 by the Turkish Government. The strategy has yielded very positive results, and the share of Neighboring and Peripheral Countries in Turkish exports rose from 24.7% share in 2000 to 32.7% in 2005. Furthermore, total trade volume with those countries reached \$58.7 billion in 2005, while it was \$20 billion in 2000.
- ❑ Turkey is determined, more than ever, to take full advantage of its location in bridging different group of countries, geographies and cultures in order to improve its commercial relations around the world.

- ❑ A new strategy towards the African countries was put into effect in 2003. The results attained so far in terms of trade development seem to be very promising. The total trade volume reached 7.7 billion dollars with a 76% cumulative increase between 2003 and 2005.
- ❑ In 2005, Turkey initiated “Trade Development Strategy towards the Asia Pacific Countries” and in 2005, Turkish trade with the leading Asia Pacific countries increased more than Turkey’s average export growth rate.
- ❑ Merchandise imports, which were \$52 billion in 2002, reached \$97 billion in 2004 and consecutively \$116 billion in 2005. This is largely due to the fact that 70% of Turkish imports comprise of primary and intermediary products utilized as inputs for the export industries. Thus, it can be concluded that, the upsurge in exports has created a stimulating effect giving way to a steady rise in imports during the last two years.
- ❑ Bearing in mind all of these developments, Turkey can be considered as having succeeded in the first part of her phenomenal transition and transformation era. Given the global and geo-strategic importance of the country, the aforementioned change process is being closely followed by the world and these developments have naturally helped consolidate the confidence of foreign investors in the Turkish economy, which resulted in increased foreign investment and privatization revenues. While the FDI inflows to Turkey on a yearly average were about \$1.1 billion between the 1993-2002 periods, this figure increased to \$1.8 billion in 2003, \$2.8 billion in 2004, and around \$8 billion in 2005.
- ❑ The results attained in privatization were equally impressive. Privatization in 2005 alone has equaled the total amount realized between the periods of 1986-2003 reaching a figure of \$8.2 billion.

TURKEY-U.S. COMMERCIAL AND ECONOMIC RELATIONS

- The U.S. has historically been one of the most important trading partners of Turkey. Commercial relations between Turkey and the U.S. have been increasing rapidly, especially in the last years.
- As of the end of 2005 trade volume with the U.S. had reached \$10.2 billion, of which \$4.9 billion was Turkish exports to the U.S. and \$5.3 billions was imports from the U.S. The shares of the U.S. in Turkish exports and imports are 7% and 5 % respectively and the U.S. is now the 4th biggest export destination and 6th biggest import source for Turkey as of 2005.

| | Exports (Billion \$) | Share in Total Exports of Turkey (%) | Share in Total US Imports (%) | Imports (Billion \$) | Share in Total Imports of Turkey (%) | Share in Total US Exports Pay (%) | Volume (Billion \$) | Balance (Billion \$) |
|------|-------------------------|--|--|-------------------------|--|--|------------------------|-------------------------|
| 1997 | 2.032 | 7.6 | 0.2 | 4.329 | 8.9 | 0.6 | 6.361 | -2.297 |
| 1998 | 2.233 | 8.1 | 0.2 | 4.053 | 8.7 | 0.6 | 6.286 | -1.820 |
| 1999 | 2.436 | 9.0 | 0.2 | 3.081 | 7.6 | 0.4 | 5.517 | -645 |
| 2000 | 3.135 | 10.8 | 0.3 | 3.911 | 7.2 | 0.5 | 7.046 | -776 |
| 2001 | 3.125 | 10.0 | 0.2 | 3.261 | 8.0 | 0.5 | 6.386 | -136 |
| 2002 | 3.356 | 8.5 | 0.2 | 3.099 | 6.0 | 0.4 | 6.455 | 257 |
| 2003 | 3.751 | 7.8 | 0.2 | 3.495 | 5.0 | 0.4 | 7.246 | 256 |
| 2004 | 4.860 | 8.1 | 0.3 | 4.745 | 4.8 | 0.5 | 9.605 | 115 |
| 2005 | 4.877 | 6.6 | | 5.315 | 4.5 | | 10.192 | -438 |

- When we look at Turkish exports to the U.S., we see that some of the sectors such as iron and steel, and textile and apparel represent almost 50% of total Turkish exports indicating dependency on these product groups.
- The U.S. has the largest economy and is the largest importing country in the world with its \$12.5 trillion GDP and around \$1.7 trillion imports. The U.S.'s share. in total world GDP and imports are 21% and 17 % respectively.
- However, Turkey's share in total U.S. imports is still at a level less than 0.3 percent as of 2004 and Turkey ranks as only the 40th biggest import source for the US. Economy.

TURKISH EXPORTS TO THE U.S. BY MAIN PRODUCT GROUPS

| | 2004 | 2005 | Change (%) | Share (%) |
|---------------------------------------|----------------------|----------------------|-------------|--------------|
| APPAREL | 1.159.289.238 | 914.875.317 | -21.1 | 18.8 |
| <i>Knitted</i> | 593.940.764 | 417.609.332 | -29.7 | 8.6 |
| <i>Not Knitted</i> | 565.348.474 | 497.265.985 | -12.0 | 10.2 |
| IRON AND STEEL | 902.047.845 | 475.670.717 | -47.3 | 9.8 |
| HOME TEXTILE | 363.896.530 | 352.868.504 | -3.0 | 7.2 |
| GOLDEN JEWELERY | 352.248.534 | 372.022.127 | 5.6 | 7.6 |
| AGRICULTURAL PRODUCTS | 325.138.234 | 378.342.524 | 16.4 | 7.8 |
| <i>Tobacco and Tobacco Products</i> | 144.746.759 | 164.241.047 | 13.5 | 3.4 |
| <i>Vegetables and Fruits Products</i> | 111.985.714 | 122.531.856 | 9.4 | 2.5 |
| TEXTILE (50-60. Chapters) | 257.226.914 | 264.787.679 | 2.9 | 5.4 |
| PROCESSED MARBLE | 223.051.249 | 315.965.314 | 41.7 | 6.5 |
| MACINERY | 178.571.463 | 220.350.473 | 23.4 | 4.5 |
| AIRCRAFT AND PARTS THEREOF | 167.572.767 | 123.781.763 | -26.1 | 2.5 |
| ARTICLES OF IRON OR STEEL | 150.312.996 | 214.920.957 | 43.0 | 4.4 |
| MINERAL FUELS AND OILS | 125.438.532 | 507.881.901 | 304.9 | 10.4 |
| TRANSPORTATION EQUIPMENTS | 110.118.146 | 103.559.997 | -6.0 | 2.1 |
| <i>Tractors</i> | 62.723.403 | 47.175.908 | -24.8 | 1.0 |
| <i>Auto Spare Parts</i> | 43.981.948 | 54.268.263 | 23.4 | 1.1 |
| CERAMICS | 68.122.308 | 74.826.948 | 9.8 | 1.5 |
| CEMENT | 33.051.180 | 40.191.216 | 21.6 | 0.8 |
| COPPER AND COPPER PRODUCTS | 60.724.441 | 60.441.542 | -0.5 | 1.2 |
| LIST TOTAL | 4.621.557.136 | 4.584.728.026 | -0.8 | 94.0 |
| TOTAL | 4.860.040.835 | 4.877.107.923 | 0.4 | 100,0 |

- But, considering the fact that this is just around 0.3% of the American imports, it is obvious that Turkey needs a new and different approach towards the U.S. market. Considering that the U.S. has an economy of about \$12.5 trillion, it is obvious that there is a huge trade potential to be utilized. However, decision-makers in the American business who shape global commerce do not have adequate and relevant information about Turkish economy and entrepreneurship.

THE NORTH AMERICAN TRADE ENHANCEMENT STRATEGY AND U.S. MARKET ACCESS PROJECT

- We believe that Turkish exports to the U.S. have two main structural problems: dependency on limited destinations and product range. In fact, Turkish exports to New York State constitute more than 1/3 of total exports of Turkey to the US. In addition, the export profile of Turkey to the U.S. consists of a limited variety of sectors and products, mainly textile, apparel, iron and steel, hindering a meaningful increase in the trade volume.
- With the aim of boosting bilateral commercial and economic relations, we, as the Undersecretariat for Foreign Trade of Turkey (UFT), prepared a new market access strategy for the U.S. market, which will be valid through in 2006 and 2007 and we call it "*The Year of Turkey in America*".
- The main purposes of this strategy are to diversify the export profile of Turkey in terms of both product and destination to increase the share of Turkey in total US imports and economy in general through both trade and investments.
- We are aware that the U.S. economy is diverse, prosperous, and it offers opportunities for partnership in such a wide range of sectors as automotive, food processing, manufacturing, service, and construction.
- We also know that the U.S. does not have a uniform market. On the contrary, it is composed of regional markets and accordingly our approach will be sector and region specific so as to create new markets for our products within the American borders.
- For this reason, by taking into account different economic criteria like states' GDPs, import capacity, market size, and export potential, out of the 52 states of the U.S. primarily six states have been selected. These are Texas, New York, Florida, Illinois, California and Georgia.
- We believe that these six states are very important for both U.S. economy and trade. These six states represent almost 41% of total U.S. GDP and almost 60% of U.S. total imports.
- In addition, they contain the 15 most important customs points in the U.S., which indicates the significance of these states in the U.S. market. Each of these states is considered as business centers.
- Furthermore, these states, especially New York, occupy an important place in the Turkish exports to the U.S. Together they represent 65% of the Turkish exports to the U.S. About one third of the Turkish exports to the U.S. go through New York, while Texas attracts about 11% of the Turkish exports. Accordingly, California's share is 8%, Florida's 6%, Illinois's 3% and Georgia's 3%.
- On the other hand, these states also provide 55% of the Turkish imports from the U.S. Their shares are as follows: Texas 23%, New York 22%, Georgia 6%, California 4%, Florida 3%, and Illinois 3%.
- With regard to our emphasis in diversifying our export items to the U.S. market, some product groups have been determined as potential sectors considering the U.S. market and Turkish export potential. These product groups are food products, chemicals (plastics), textile (yarns and fabrics), carpets, home textiles, clothing, processed marble, ceramics tiles and sanitary ware, glassware, jewelry, copper and aluminum products, electrical and electronic equipments, machinery, automotive spare parts and furniture. As well as information technology (software).
- Some of these products, such as textile and apparel, are usually considered as Turkey's traditional export goods. However, our main priority in implementing the strategy will be to encourage the Turkish companies to export high value added products under their own brand names. This is a secure way to expand to new markets.

- The strategy is not limited to trade. On the contrary, improving economic cooperation and encouraging direct investments are the keys for the success of the strategy. We will encourage all kinds of commercial collaboration from simple commercial exchanges to joint ventures.
- Direct investment is also crucial for the Turkish economy. For the moment, there are about 600 American companies operating in the Turkish market, and the total U.S. investment in Turkey amounted around \$2 billion. About one third of these companies invested in 2004-2005, which is just another proof of the growing interest of the U.S. towards the Turkish economy.
- However we think that, these figures also do not reflect the real potential of the U.S. foreign investment capacity and Turkish economy, growing rapidly in the last four years.
- We honestly believe that the Turkey and Turkish companies have much to offer on this front. Turkey presents a significant opportunity to access other regional markets like Africa, Middle East, and Central Asia where the Turkish companies are experienced to operate in difficult business climate.
- We also believe that by establishing active and prioritized commercial and economic relations, and by putting our relations on the solid basis of economic cooperation, the economy will be the driving force behind our bilateral relations.
- This is a comprehensive policy to help Turkish businesses succeed in the vital but increasingly competitive U.S. market. However, this is not just a marketing strategy. On the contrary, it is part of a concerted exercise to improve our image in the U.S.
- The strategy will be the tool for not only marketing the Turkish goods but also promoting "Turkey" itself as a brand name.

ACTION PLAN

- ❑ **Strengthen Turkish commercial counselors' presence in the U.S.:** There are currently only two Turkish commercial counselor offices in the U.S. One of them in Washington D.C. and the other in New York. We would like to strengthen these offices in terms of personal. In addition, we would like to send trade representatives to other target states. In this context, a new trade representative to Los Angeles has already been appointed as of November.
- ❑ **Develop marketing strategies for potential sectors:** We determine potential sectors and characteristics of U.S. markets for these sectors. So we will determine different marketing and promotion strategies for every product groups.
- ❑ **Organize trade, buyers and outsourcing missions:** Starting from 2006, we will organize three trade missions to New York, Chicago and Los Angeles. We also plan to organize "outsourcing missions" as a new instrument. The main purpose of these missions will be setting up business connection between producers of two countries operating in a specific sector.
- ❑ **Attend important international fairs in the U.S.:** Fairs continue to be one of the most effective tools of promotion by enabling sellers to establish direct connection with buyers and to understand the market and customer preferences. It also provides enormous variety of product choices for the customers to take with no hassle. Thus, we continue support Turkish firms attending international fair organized in the U.S. in 2006. In addition, we are planning to organize some special promotion activities, such as seminars etc. during the leading fairs.
- ❑ **Promote potential products via "promotion groups" established by Turkish exporters:** There are some promotion groups established by Turkish exporters such as "hazelnut, natural stone, marble, ceramics, leather promotion groups" which aim to plan and carry out promotion activities in order to increase the awareness and consumption of their respective products worldwide. In 2006 and 2007, the activities of these promotion groups will be canalized to the U.S. market.
- ❑ **Establish linkages between business associations of two countries:** We aware the fact that we should establish solid and long term relations between business association and chambers of commerce of two countries in order to reach the main targets of the strategy. We will encourage Turkish business associations to set up solid linkages and extend cooperation with their American counterparts.
- ❑ **Organize seminars on the US markets and import procedures to Turkish exporters:** Turkish exporters have limited information regarding the U.S. market and procedures of the US government agencies. A series of seminars will be organized in order to inform the producers and exporters about the dynamics of the US market and requirements of the U.S. government agencies.
- ❑ **Inform the U.S. businessmen about Turkish industry and products:** We also think that U.S. firms do not have satisfactory information regarding Turkish economy and sectors. Thus, we also plan to organize seminars throughout 2006 in order to inform American firms on Turkish products and exports.
- ❑ **Complete legal infrastructure that supports bilateral trade:** We believe that completing the legal infrastructure will be helpful to solve the problems encountering by both sides' businessmen and to establish favorable environment for trade. To do so, we will give special attention to complete legal infrastructure between Turkey and the U.S.

AGRICULTURAL PRODUCTS

- ❑ Historically, the agricultural sector has been Turkey's largest employer and a major contributor to the country's GDP, exports and industrial growth.
- ❑ Turkey, which has 13th largest agricultural area in the world, is one of the rare countries in which various types and sorts of fruits and vegetables can be cultivated. This variety led to the development of the production for processing in different kinds beside the production for fresh consumption
- ❑ Turkey is one of the largest producer and exporter of agricultural products in the Eastern Europe, Near Eastern and North African region.
- ❑ Turkey, with its rich agricultural base, has a well-developed food-processing industry and those factors put Turkey among the top ten exporters of food products in the world. Total exports of agricultural and agro-industrial products have been \$7.7 billion in 2005.
- ❑ Turkish total agricultural exports to the U.S. increased by 17 % and exceed \$387 million.
- ❑ On the other hand, total US agricultural products import reached almost \$60 billion in 2005.

Frozen Fruits and Vegetables

- ❑ In the vegetal production, fresh fruits and vegetables constitute the backbone of the sector due to the availability of diverse ecological conditions of Turkey enabling it to grow all-temperate, most subtropical and some tropic.
- ❑ The remarkable thing with the Turkish fresh fruits and vegetables industry is not only the great diversification in the number of fruits and vegetables grown but also the astonishing quantity of the total produce, approximately 12 million tons of fruits and 24 million tons of vegetables.
- ❑ The fresh fruits grown in Turkey mainly consist of grape-like fruits, pome fruits, stone fruits and citrus fruits according to the order of priority.
- ❑ In Turkey, almost all of the raw and subsidiary materials used in the production of frozen fruits and vegetables are covered by the domestic sources.
- ❑ The main fruits produced to be frozen are strawberry, cherry, sourcherry, plump, and apricot. Vegetables are potatoes, green and red peppers, tomatoes, leeks, beans, and peas.
- ❑ Around 70-80% of the frozen fruits and vegetables production is still exported. In the sector, production is mostly exported.
- ❑ Due to the tendency of development in the frozen food products market in Turkey, and the dependency of the industry to exports, it is expected that the importance of the exports of frozen food products will be increased in the coming years.
- ❑ Turkish frozen fruits and vegetables exports reached \$71 million as of 2005. Turkish exports to the U.S. total only \$2 millions. Total U.S. import is \$715 million as of 2005.
- ❑ 80% of the Turkish frozen fruits and vegetables production is exported and the main export market is the EU countries. In the long-term the U.S. and Japanese markets will be important for our exports.

Fruit Juice and Concentrate

- ❑ In the vegetables and fruits processing industry, another sub-sector which has export potential is the fruit juice and concentrate sector.
- ❑ Almost all of the fruits used in the fruit juice industry are covered by the domestic production.
- ❑ In the food sector, with its geographical location and suitable climate conditions, Turkey has a competitive advantage and has the potential to export in higher amounts.
- ❑ Turkish exports have reached \$50 million as of 2005. Turkish exports are around only \$1.5 million, while total imports of U.S. exceeded \$987 million in 2005.

Edible Nuts and Dried Fruits

- ❑ Turkish edible nuts and dried fruits production is considerably high and dominates the world markets in this respect. Among edible nuts and dried fruits, hazelnut, pistachios, raisins, dried apricots and dried figs are of significant importance for Turkish agricultural export. Due to this importance, they are called traditional agricultural export items of Turkey.
- ❑ Fig cultivation is believed to belong to the Mediterranean basin, especially to Anatolia. Accordingly, local fig species (*Ficus carica*) derived its botanical name from the historical district, Caira, in the western part of Turkey. Producing 50-55% of the world's total dried fig production, Turkey also has a share of 60% in the total world exports of dried figs.
- ❑ Turkey leads the field both in terms of quantity and production in the world. Annually 38,000 tons of dried figs are exported from Turkey.
- ❑ Turkish exports of dried figs reached \$118 million in 2005. Turkish exports to the U.S. are only \$3 million.
- ❑ Although Turkey provides dried figs to the five continents of the world, over 70% of exports are directed by EU Countries. Germany, France, Italy, Spain, Netherlands and Russian Federation are the most important export markets for Turkish dried figs.
- ❑ Although apricot production may show large variations according to climatic conditions of the year, Turkey is the leading producing country throughout the world. For the last five years annual production has been 340,000 tons on the average. Turkey realizes about %22.5 of the fresh apricot production and 84.2 % of dried apricot production in the world.
- ❑ Dried apricot exports of Turkey reached almost \$200 million in 2005.
- ❑ The U.S. has been the primary importer country of Turkish dried apricots with a share of about 23%. U.K, France, Germany and Russia were the following important export destinations of Turkish dried apricots in 2004. These top five countries make up for nearly 61.0 % of the Turkish dried apricot exports in this year.
- ❑ Turkey, with its geographical location and suitable climate, has favorable conditions for viticulture and is seen as the motherland of grape cultivation.
- ❑ Turkey is the leader of the dried grape producing countries in the world. With 250,000 tons of production Turkey realizes the nearly 45% of the world production.
- ❑ Exports of dried grapes are around \$250 million in 2005. Imports of the U.S. from Turkey reached only \$250,000.

Hazelnut

- ❑ The fact that hazelnut is produced on 600-650.000 hectare land within Turkey and 4,000,000 people are engaged with the production directly or indirectly increases the socio-economic importance of hazelnut.
- ❑ Currently there are about 175 hazelnut cracking factory with the capacity of 1,800,000 tons-kernel and 40 processing facility with the capacity of 350,000 tons/year.
- ❑ The kernel which is obtained from the natural in-shell hazelnut by cracking is used as intermediate good in chocolate, biscuit, pastry and ice cream industries after getting various forms with processing such as blanched, roasted, chopped, paste and meal.
- ❑ Turkey has a share of 80-85% in world hazelnut export. When hazelnut export was realized to 50 countries from Turkey in 1990, nowadays this figure reaches 90 countries.
- ❑ As of 2005 Turkish hazelnut exports reached \$1.7 billion. The top 10 countries which import hazelnut from Turkey are: Germany, Italy, France, Belgium, the Netherlands, The UK, Austria, Russia and Spain. The greatest share in Turkey's hazelnut and hazelnut products belongs to European Countries with 80 percent.
- ❑ In order to promote Turkish hazelnut abroad, the Turkish exporters have established the "Hazelnut Promotion Group". This group has been working in the U.S. market since 1997.

Sugar and chocolate confectionery

- ❑ The sugar and chocolate confectionery sector in Turkey is historically based on the production of the traditional Turkish confectionery products such as Turkish delight and halva. The sector has become one of the most important sub-sectors of the food industry using modern technology together with the traditional production methods.
- ❑ The Turkish sugar and chocolate confectionery sector has the most advanced technology in the Middle East, Balkans, North Africa, Baltics and Central Asia.
- ❑ The products are more widely diversified and of a higher quality. Major items produced in the industry include various types of candies, chewing gum, Turkish delight, halva, chocolate-coated products and various types of chocolates.
- ❑ Turkey's total sugar confectionery export rose by 57% and increased from \$99 million in 2000 to \$176 million in 2005. While Turkey exported sugar confectionary to 129 different countries in 2000, the number of countries to which Turkey exported sugar confectionary increased to 139.
- ❑ The top five markets of Turkish sugar confectionary were Germany, Iraq, Azerbaijan, England and Romania.
- ❑ In 2004, other countries importing chocolate were to Iraq, Algeria, Russia, Albania and Romania. After the removal of embargo, Iraq has become an important market for chocolate industry. While the share of neighbor and periphery countries in our chocolate export increased from 78% in 2000 to 79% in 2004, the share of EU in the same period decreased from 22% to 18%.
- ❑ By exporting \$190 millions of chocolate, Turkey ranked 15th in the world chocolate trade. Exportation of chocolate from Turkey shows an upward trend. Turkey exported chocolate to 136 different countries in 2004, while it exported to 110 countries in 2000.
- ❑ Turkish exports of confectionary to the U.S. reached \$7 million as of 2005.

Healthy food and organic agricultural product

- ❑ Consumers are becoming increasingly interested in environmentally sound products, because of continuously expanding awareness. Thus, the desire for a healthy life has oriented consumers towards healthy food and organic agricultural products.
- ❑ Turkey is one of the best-suited countries in the world for organic cultivation. This is not only due to her ecological and climatic conditions but also due to the use of more traditional agricultural methods.
- ❑ Although organic farming and in-conversion land constitute a small portion of total agricultural land, organic agriculture, which was mainly concentrated in Aegean region in 1985, has expanded in all regions.
- ❑ The number of farmers dealing with organic agriculture and the variety of organic products in Turkey is also increasing year by year. Today around 149 kinds of agricultural products are organically produced in Turkey and shipped abroad pioneering with raisins, dried apricots, dried figs and hazelnuts.
- ❑ As of 2004, total organic agricultural production and exports reached 280,000 tones and \$33 million respectively.
- ❑ Turkish organic agricultural products are becoming more and more familiar to foreign importers. The destinations of Turkey's organic agricultural products' exports reached 30 countries in 2004. The majority of exports are directed to the European Union Countries: Germany, The UK, The Netherlands, Italy and France are the major export markets of Turkey.

Olive Oil

- ❑ Olive and olive oil production in Turkey is realized in five different regions and in 35 cities thanks to its own favorable climatic conditions and geographic location.
- ❑ Proportioning these numbers with those of the world, Turkey's share is 10% of the world's total fields of olive cultivation.
- ❑ Also having the longest coastline on the Mediterranean Sea, Turkey has been one of the major producers of olives among Mediterranean countries. All these statistics shows that Turkey takes an important part in the world on both edible olive and olive oil production.
- ❑ Turkish Olive Oil Industry: 85 million olive trees; 1.2 million tons of olive production in "on years"; 200,000 metric tons olive oil production in "on years", 200,000metric tons table olive production in "on years", 250,000Turkish families work for olive and olive oil production, More than 500 continuous olive oil extraction mills, Sufficient refinery and retail packing plants using most modern technologies, State and private laboratories for quality controls which assure consistency with the international standards, Table olives exports: 25,000 metric tons per annum, Olive oil exports: 100,000 metric tons per annum (in "on" years).
- ❑ Turkish total olive oil exports increased by 126 percent and reached \$300 million in 2005. The U.S. is one of the biggest export destinations for Turkish olive oil with \$47 million worth of exports.

MANUFACTURING

- The factors which give competitive strength to the Turkish manufacturing industry are the abundance of natural resources, its geographical proximity to the export markets, developments in infrastructure and telecommunications systems, the existence of young and trained human resources, a large domestic market and the liberal economic policies in force.
- The manufacturing industry has sustained an annual average growth rate of 6% since 1990 up to 1998. In crises years of 1999 and 2001 the manufacturing industry growth rate declined to – 5.7% and –9.9% respectively. In 2002, the economy recovered and the manufacturing industry growth rates reached to 9.1% in 2002, to 7.8% in 2003 and 9.4% in 2004.
- In 2005, the industry exports increased by 12 percent and reached \$ 60 billion with a share of 82% in total exports. The main export sectors were clothing and textiles, automotive and parts, electrical machinery, iron and steel, chemicals, rubber articles, plastic articles, gold jewelry, ceramics, glass and furniture.

CLOTHING INDUSTRY

- The clothing industry today is one of the locomotive sectors of the Turkish economy in terms of industrial production, employment and export earnings.
- Turkish clothing industry realized approximately a total value of \$11.4 billion in 2005. Besides integrated textile and clothing producing facilities, there are thousands of clothing producer/exporters and small and medium enterprises (SMEs) in Turkey. There are more than 11,000 clothing manufacturers producing for the clothing export of Turkey.
- At the moment, knitted apparel products account for 50% of Turkey's total clothing export, while woven clothing for 36% and the rest 14% is met by other ready-made products. Cotton-knitted t-shirts, socks, man and woman pullovers and knitted singlet are considered to be the major knitted export items. Yet, woven men's shirts and men's and women's denim trousers are the major woven products.
- The Turkish clothing industry, with a share of 4.4% standing at the 4th place in the world trade, while, with the share of 8.2%, it is ranked as the second biggest supplier of the European Union market.
- The EU countries (EU-25) as the biggest market, has been accounting for more than 75% of the country's export.
- Germany, the UK, United States, France and Netherlands are the leading export destinations for the clothing industry.
- Turkish apparel exports to the U.S. are around \$915 million, decreasing almost 21% in 2005, mainly because of the competition from China. Turkish share in total U.S. imports (which is around \$70 billion and the world biggest importer) on the other hand is around only 1% and 23rd biggest import source for the U.S. buyers.
- The Turkish factories under the permission of the patent owners produce worldwide famous branded clothes. These branded goods are being sold in the boutiques and department stores throughout the world. Many Turkish clothing companies, on the other hand, have created their own brands and acquired their patents. Hence, they have opened up to the world markets through effective distribution policy by franchising and opening offices abroad. While some of them have emerged as world famous brand names, some others have gained considerable reputation in the emerging markets.

TEXTILE INDUSTRY

- ❑ The textile sector has made important contribution to the development of clothing industry as well. In the 1990's, the share of textile sector within the total Turkish exports reached to 11% by showing a high export performance.
- ❑ The industry, today, has become one of the most important components of the Turkish economy with its export value of \$5.5 billion in 2005.
- ❑ Most of the companies in the sector are medium scale. The industry has also large-scale companies having integrated production facilities. There are nearly 7,500 textile manufacturers producing for the textile export of Turkey.
- ❑ Cotton textile products such as cotton, fiber, yarn and woven fabrics constitute about 25% of total textile exports. The main export items are woven cotton fabrics, bed sheets, knitted fabrics, bags and sacks for packaging and woven fabrics made of man-made staple fibers.
- ❑ While the export value of the textile sector was \$1.42 billion in 1990, it has reached \$5.5 billion by the end of 2005. In other words, total textile exports of Turkey nearly tripled within the last 15 years.
- ❑ Turkey ranked 10th in the world with the share of 3.1% and second in the EU market with the share of 4.8%.
- ❑ As far as country groups are concerned, Turkey exports 46% of textile products to EU countries. The second important country group is the other European countries including Bulgaria, Romania with the market share of 10%.
- ❑ Total U.S. imports of textile have reached almost \$13 billion, while Turkish exports to the U.S. realized as \$264 million.
- ❑ Turkey, as being one of the most prominent textiles and clothing producers in the world, now, has the production capacity to meet almost all the raw material needs of clothing industry. Some part of cotton and artificial and synthetic fibers needed by the industry are met by means of importation.
- ❑ As a consequence of the availability of raw cotton in huge amounts, the Turkish spinning and weaving industries have also been developed. In 2004, the estimated cotton yarn production in Turkey was around 989,000 tons and cotton fabric production was 1947 million meters. The export value of cotton and cotton textile products was \$ 1.2 billion in 2004. The values of cotton yarn and cotton fabric exported were respectively \$295 million and \$800 million in 2004. Main destinations for cotton yarn exports are Italy, Portugal, Bulgaria, Greece, Romania, Germany, Spain and the UK. Main destinations for cotton fabric exports are Italy, the U.S., Romania, Germany, the Russian Fed., Poland and the UK.
- ❑ Turkey now has the 6th largest synthetics capacity in the world. Most of the raw materials for synthetic fibers and yarns are procured locally. The total value of man made fibers, yarns and fabrics exported was \$1.7 billion in 2004. Main destinations for synthetic and artificial fiber, yarn and fabric exports are Germany, Italy, the UK, the U.S., Romania, Spain, the Russian Fed., France and Poland.

HOME TEXTILES

- ❑ Turkey's home textiles, with its performance in recent years and the export volume, have become both the leading sector of Turkey and ranked in the top five of the world trade in terms of export.
- ❑ In Turkey, production is made in the following product groups: towels, bathrobes, blankets, bed linens, bed cases, table cloths, bath-kitchen linens, drapes, interior roller shades, bed frills, net curtains, wall rugs, sleeping bag, mattresses, quilts, cushion, woven fabrics etc. These products are exported to all around the world.
- ❑ 5,676 firms are active in the field of producing home textiles. Sector's production includes cotton products to a large extent and most of the requirements of raw and intermediary goods of the sector are mainly supplied from our country.
- ❑ Several firms in Turkey, which is one of the leading countries in the world in the home textiles sector, created their own brands, depending on this, they have begun to establish domestic and foreign store chains. Majority of the firms in the sector are owners of small and medium scale enterprises. Some famous, foreign brands are also produced under licenses in the sector.
- ❑ Export of Turkish Home Textiles shows a stable increase. The exports of home textiles exceed \$2.billion in 2004. Bed linens, bathrobes, and bath-kitchen linens compose the most significant product groups exported in the home textiles sector.
- ❑ An important part of our total home textiles exports have been made to Germany and U.S. for many years. These two countries are followed by our traditional markets; England (10%), France (8%), Russia (5%), Italy (4%), Netherlands (3%).
- ❑ World textile trade realized about \$20 billion and the leading countries in import are U.S. (35%), Germany (10%), England (9%), Japan (6%) and France (5%).
- ❑ The concept of flexible production is one of the important factors driving Turkey forward in home textile. Turkey as a country producing all product groups in home textile provides products with desired qualities, at desired quantities at the desired time. Turkey can successfully make the product delivery in shorter periods compared to rivals and can make modifications in a very short time.
- ❑ Among home textile producers, Turkey is one of the countries with the most developed technological infrastructure; not in terms of the number of machines, but the modernity of machinery and equipment directly raises production quality. As a result, Turkey can take its place in world markets at competitive prices with its high technology.
- ❑ Now Turkey is one of the leading countries of the world determining fashion in home textile, with its high quality, rapid delivery, price and product diversity. This is a strong evidence of how Turkey advanced in the home textile sector.

CARPETS AND KILIMS

- ❑ The carpet is a woven textile, which is produced by knotting colored threads on the warp, compressed by the weft. Two types of knots are used in producing carpets: The Turkish (Gördes) knot is wrapped around two warps and the Persian (Sine) knot around a single warp. The Gördes knot makes a carpet stronger, firmer and more durable, while the Sine knot allows the weaving of different patterns.
- ❑ Turkish carpets and kilims are in the most valuable collections of museums and collectors in the world. Today, world museums exhibit as their most important and valuable works of art the carpets woven in Anatolia.
- ❑ Anatolian carpets and kilims with their lively colors, motifs, patterns and superior quality, have a universal reputation. Natural dyes are used, and many families have kept their knowledge of which leaves, flowers, roots and vegetables would yield the most radiant colors.
- ❑ Acquiring exact figures of production is very difficult since hand made carpets and kilims are produced in every part of Turkey especially in rural areas for non-commercial purposes. The production of hand-made carpets and kilims is estimated 3.5 million square meters per year. It is estimated that 1.5 million people are working in this sector.
- ❑ The total value of hand-made carpets and kilims exported in 2005 was about \$125 million. Major export markets are: Germany, the U.S., Japan, Italy, Spain, England and Switzerland.
- ❑ Turkey not only has a strong position in the traditional Turkish hand-made carpets but also in machine-made carpet production. Carpets and area rugs for both residential and commercial applications are produced from wool, acrylic, and polypropylene fiber. Turkey's total machine-made carpet capacity is over 190 billion square meters.
- ❑ The total value of machine-made carpets exported in 2005 was over \$405 million. Major export markets are Saudi Arabia, Uzbekistan, Romania, the U.S., Kazakhstan, Greece, Germany, Israel and United Arab Emirates.

LEATHER AND LEATHER GOODS INDUSTRY

- ❑ The root of the Turkish leather industry has a share of 1% of the country's GDP, 2.3% of total industrial production and 1.5% of registered manufacturing employment.
- ❑ A majority proportion of the industry's raw material is provided through import. The high value added products, which come out of processing, are exported by the industry.
- ❑ With its advanced technological infrastructure and environmentally friendly production policy, the Turkish leather processing industry is accepted as one of the leading industries in the world. It's ranked as the third in Europe after Italy and Spain, in terms of production capacity.
- ❑ There are 13 Leather Industrial Organized Zones functioning in Turkey and more than 3,000 companies dealing with export throughout Turkey.
- ❑ With its quality and elasticity in production Turkey is number one among the leading leather clothing producing countries. According to global statistics it produces about 1.2% of the total world leather clothing.
- ❑ In addition to this, Turkey is among the leading producing countries concerning both the production quantity and quality of fur coat.
- ❑ The Leather industry realized \$557 million export in 2005. The industry has contributed to the export earnings beyond this if the shuttle trade is taken into consideration. The export to the EU countries stands for 41.5% of the total leather and leather articles export. The main markets in terms of countries and their shares are Russian Federation (24.1%), Germany (14.2%), France (6.4%) and U.S. (4.7%).
- ❑ The major export "products group" of the leather industry is saddlery and leather clothing. Saddlery and leather clothing stand for 42% of the total export while footwear 27%, fur and fur coating 20%, raw and processed leather for 11%.
- ❑ Turkey is one of the leading countries of the leather and leather products in both production and export. With its high export performance Turkish leather industry has taken an important proportion of the world leather trade.
- ❑ For instance, it is the third in the world's leather and leather products export in terms of quantity. Furthermore, with 7% of the world total export of fur clothing, Turkey is ranked fifth. Not only with its production and export but also with its quality and unique style, Turkey is accepted as a forerunner among the producer countries.
- ❑ U.S. total imports of leather products, including apparel and travel goods reached \$9 billion in 2005, while Turkish exports are only \$37 million.

AUTOMOTIVE AND AUTO PARTS INDUSTRIES

- ❑ Vehicle industry production in Turkey dates back to the mid-1950s and the industry gained momentum in the early 1960s.
- ❑ As to passenger cars and small commercial vehicles, Turkish manufacturers are becoming world production centers of huge global producers whom they have license agreements with. Today 15 companies are manufacturing various types of vehicles such as passenger cars, buses, trucks, pickups, mini and midi-buses and trailers. Six companies are producing passenger cars (FORD OTOSAN, RENAULT, TOFAS (FIAT), TOYOTA, HYUNDAI, and HONDA.)
- ❑ Nine companies are producing pick-ups and trucks (ANADOLU ISUZU, BMC, ASKAM, M.A.N., MERCEDES-BENZ, FORD OTOSAN, OTOYOL, TEMSA, and TOFAS.)
- ❑ Ten companies are producing buses and mini buses (ISUZU, BMC, KARSAN, MERCEDES-BENZ, HYUNDAI, OTOKAR, FORD OTOSAN, OTOYOL, TEMSA, and M.A.N.)
- ❑ The Turkish vehicle industry has a total capacity of 1,083,705 vehicles, of which 776,000 is for passenger cars. The total vehicle production in 2005 was 914,359 units, which is a record for the Turkish automotive industry.
- ❑ The total automotive industry exports were \$12.8 billion in 2005. Exports are about 62% of production.
- ❑ The main export markets for the automotive industry are France, Italy, Germany, the United Kingdom, Spain, the Russian Federation, Israel, the Netherlands and Romania. In 2004, 65% of automotive industry exports in value were delivered to EU Countries.
- ❑ In line with the growing automotive industry, the Turkish auto parts industry, with its large capacity, wide variety of production and comparatively high standards, supports automotive industry production and the vehicles in Turkey (approximately 7.6 million vehicles) and also has ample potential for exports.
- ❑ The production value of the auto parts industry was above \$5.3 billion in 2004. The auto parts industry employs 70,157 people and 28,794 companies produce various kinds of auto parts.
- ❑ Turkey's auto parts industry exports are increasing significantly with the focus on replacement components. In 2005 the value of auto parts industry exports was US\$ 3.7 billion.
- ❑ The main auto parts products exported are engine parts, tires and tubes, road wheels and parts, accessories for bodies, transmission shafts and cranks, auto glasses, brakes and servo brakes and safety seat belts.
- ❑ In fact, Turkey exports many cars, buses and trucks as in parts. In terms of breakdown of auto parts exports by province, Bursa, Istanbul, Kocaeli and Izmir have the major shares.
- ❑ The number of exporter companies in auto parts industry is above 2,400. Turkish auto parts products are destined for a wide range of countries in the world. The main export markets are Germany, Italy, France, the United Kingdom, Spain, Poland, Belgium-Luxembourg, the United States, Iran, the Russian Federation, Austria, Algeria and Iraq.
- ❑ Turkish total exports of automotive products reached \$232 million (47 million USD tractors and rest of it was auto parts).

- ❑ In 2005 about 65% of auto parts exports were directed to the EU Countries. Turkish auto parts exporters follow European and international standards and norms.

MACHINERY INDUSTRY

- ❑ Today, the share of the machinery manufacturing industry production is 4.9% within the overall manufacturing industry.
- ❑ The product range of the Turkish machinery industry consists of internal combustion engines and turbines, boilers and burners, building machinery, heavy industrial machinery, machine tools, milling machines, drilling machines, cutting and bending machines, woodworking machinery, pumps and compressors, hand tools, air conditioning units, textile machinery, food processing machinery, hoisting and conveying machinery, sewing machines, refrigerators and washing machines (both domestic and industrial), valves, gears and bearings.
- ❑ The Turkish machinery industry is able to produce almost all of the parts and accessories for the above named items with competitive prices and of high quality. The average local input content in the production stage is around 80-85%.
- ❑ Turkish machinery sector products are competitive in international markets due to relatively flexible production and good engineering skills in Turkey.
- ❑ In 2005, total exports of machinery manufacturing industry exceeded \$5.3 billion, up 27% compared with the year before.
- ❑ A breakdown of countries importing machinery from Turkey shows that Germany is the main customer. The Italy, United Kingdom, France, the United States, Spain, Iraq, Russian Federation, Romania and Poland follow Germany.
- ❑ The most important items in exports were engine and spare parts, refrigerators, washing machines, construction and mining machinery, pumps and compressors, metal and wood processing machinery, machinery components, steam boilers, textile machinery, air conditioning machinery and food processing and packaging machinery.
- ❑ The rapid increase in the population and living standards in Turkey have resulted in the need to produce more and better quality white goods. The quantity of refrigerators, washing machines and dish washing machines produced were 5.308 million units, 3.963 million units and 657,000 units respectively. The exports of the sector are mainly directed to the United Kingdom, Germany, France, Spain, Romania, Italy and Greece. The major export products in households sector are refrigerators. The exports of refrigerators reached to 3.361 million units and totaled to \$915 million in 2005. On the other hand, Turkish exports of refrigerators to the U.S. was only \$8 million in 2005
- ❑ Construction and mining machinery industry exports comprise 9.7% of the exports of the Turkish machinery sector and have an increasing trend. Total exports of the sector rose to \$365 million in 2005. Main export products are namely, machinery spare parts, lifting, handling, loading and unloading machinery, self propelled bulldozers, graders and excavators and derricks and cranes. Among product groups, construction and mining machinery spare parts are the most traded items. Major export markets are Germany, Italy, the United Kingdom, the U.S., Belgium, France, Saudi Arabia, Iran, the Russian Federation, Kazakhstan, Iraq, Kuwait, Turkish Republic of Northern Cyprus and Israel. Turkish exports to the U.S. on the other hand are \$19 million in 2005.
- ❑ Pumps and compressors, which are vital for industrial and agricultural production, constitute another important sector of Turkish non-electrical machinery industry. At present, pumps and compressors industry exports comprise about 5% of the exports of the Turkish machinery sector and have an increasing trend. The total export value of pumps and compressors rose to \$257 million dollars in 2005. Major export markets are Germany, Romania, Iraq, the United Kingdom, the U.S., Russian

Federation, France, Italy, Greece, Algeria, Belgium, Azerbaijan, Saudi Arabia, Iran, Turkmenistan and Bulgaria. Turkish exports to the U.S. on the other hand are \$28 million in 2005.

- ❑ The Turkish machinery manufacturers/exporters follow European and international standards and norms. Companies exporting to the European Union, affix the “CE Mark” under the “New Approach” Directives. The obligation to affix the “CE Mark” also started in the Turkish domestic market in 2002.

Electrical Machinery Industry

- ❑ The electrical machinery sector, which consists of investment and intermediate goods, has vital importance in Turkey. The share of the electrical machinery industry increased to 3% of the manufacturing industry and exports exceed \$2 billion in 2005.
- ❑ Major products covered by the industry include electric motors and generators, transformers, electrical distribution and control equipment, cables and wires, accumulators, batteries, lamps and electrical equipment.
- ❑ The Turkish electrical machinery industry is composed of more than 5000 companies with medium and small sized companies dominating the industry. The number of people employed in the sector is approximately 56,000.
- ❑ Among the European Union countries, Germany was the most important buyer of Turkish electrical machinery. The Iraq, the United Kingdom, Russian Federation, France, Italy, Bulgaria, Saudi Arabia and Iran follow Germany.
- ❑ There are approximately 374 firms operational in the cable sector that has the highest share in the production of electrical machinery industry. In the last ten years in particular, by means of foreign capital accompanied with high technology and “know-how” license agreements, the cable sector has recorded substantial progress in production technology. The exports of cables and wires showed a considerable increase and have the largest share in the exports of electrical machinery. Exports of cables and wires rose to \$714 million in 2005. Turkish exports to the U.S. were around \$3 million in 2005.
- ❑ The other important exporting sub-sector in the electrical machinery industry is transformers. In 2005, the exports of transformers reached to \$262 million. The main export markets are Germany, the United Arab Emirates, Egypt, Nigeria, Spain and the Netherlands. In Turkey, there are nine important large-scale firms and a few medium and small enterprises in transformer production. On the other hand, Turkish transformers exports to the U.S. market are only \$300,000 in 2005.
- ❑ The value of electric water heaters export was \$316.5 million in 2005. Electrical ovens are the most exported electrical household items. Major market for exports of electrical household appliances is the EU Countries. The United Kingdom, Germany, Iraq, the U.S., France, Greece, Israel and the Russian Federation were the major buyers of Turkish electrical household appliances. On the other hand, Turkish transformers exports to the U.S. market are only \$517,000 in 2005.
- ❑ It is worth to mention that since most of exports of the sector are directed to the EU, Turkish electrical machinery products comply with technical norms of the EU and all of them carry CE Mark on them. As mentioned before, the obligation to affix the “CE Mark” also started in the Turkish domestic market.

CHEMICAL INDUSTRY

- ❑ Turkey has been manufacturing chemicals for very long time, being a producer of many basic and intermediate chemicals, petrochemicals.
- ❑ The production value of the Turkish chemical sector has reached about \$11 billion which includes petrochemicals, inorganic and organic chemicals, fertilizers, paints, pharmaceuticals, soaps and detergents, synthetic fibers, essential oils, cosmetics and personal care products.
- ❑ Turkish chemical industry developed significantly in terms of quality, productivity and protection of environment. The industry is in the process of adopting EU's Technical standards. Besides, the responsible care, the chemical industry's trademarked initiative on environmental, health and safety issues, has been successfully implemented since 1992.
- ❑ The chemical industry employs 77,320 people and the industry has about 4,286 companies manufacturing various chemicals.
- ❑ On the other hand, total exports of Turkey in chemicals have reached \$7.4 billion in 2005.
- ❑ Major export products of the Turkish chemical industry were mineral fuels and oils with the value of \$2.6 billion in 2005. The second major export product group was the plastic raw materials and plastic products with an export value of \$1.7 billion. Soaps and washing preparations (\$411 million), inorganic chemicals (\$368million), organic chemicals (\$255 million), pharmaceutical products (\$281 million), rubber and rubber products (\$1 billion), and paints and coatings (\$233 million) were the other important products of the sector.
- ❑ The leading export markets of Turkish Chemical Industry were Iraq, Italy, Germany, Russian Federation, U.S., Spain and Israel.
- ❑ The Turkish soap and detergent industry has shown very good performance in terms of quality, capacity and exports. There are many companies in the soap and detergent industry, about 15 of them being the major ones; among these there are multinational groups, which have worldwide reputations. Since 1990, domestic and foreign investments in the Turkish cleaning products industry have increased considerably.
- ❑ As a consequence, detergent production capacity has reached 1.3 billion tons and soap production capacity has reached to 550,000 tons and both have ample export potential.
- ❑ The domestic production of basic plastic raw materials naturally resulted in a strong plastics processing industry. Turkey manufactures all kinds of plastic products, ranging from traditional to latest developed plastic products, such as plastic construction and irrigation products, plastic automotive parts, plastic furniture and kitchenware, all plastic parts of electronics, electrical and household items and all kinds of plastic packing products.

NON FERROUS METALS INDUSTRY OF TURKEY

Aluminum Industry

- The aluminum industry, which emerged in Turkey in early 1950s and has today a history of over five decades during which period the installed capacity has remarkably grown to 60,000 tons in 2002 (the smelter capacity of Seydisehir). The production for processing of aluminum in private sector is 250,000 – 300,000 tpy.
- The Turkish aluminum industry consists of the Seydisehir primary smelter (only primary smelter, newly privatized Seydisehir Aluminum), and private companies of extrusion mills, rolling mills, casting foundries and conductor producers.
- Besides Seydisehir plant, there are about 1,000 SMEs operating in different sub fields of the aluminum industry. These firms produce aluminum products from ingots by casting, forming, rolling, forging and extrusion operations. They can also produce some alloyed products. As Seydisehir plant cannot satisfy the domestic demand fully, considerable amount of primary aluminum products have been imported.
- Growth in the aluminum industry has been expecting to be fuelled by rapid economic expansion. In recent years a very intensive work has been performed in order to expand the Turkish export market for aluminum products and semi-products. The export value of aluminum products in 2005 increased by 171% compared to 2004 and recorded as \$871 million.
- In total exports of aluminum products, the Aluminum Profiles have the greatest share with a value of \$310 million. Following that product group, the export of aluminum plates and sheets was \$238 million. Aluminum construction appliances were \$90 million.
- The major markets of Turkish aluminum products were Germany, Italy, United Kingdom, Iraq and Spain (\$24.9 million).
- On the other hand, Turkish exports to the U.S. increased by 46% and reached \$27 million in 2005.

Copper Industry

- The production of copper blister was realized as 33,000 tons in 2003, which was 32,500 tons in 2002. There are some firms producing electrolytic copper and other copper products.
- In the exports of copper products, there has been a steady increase in recent years. Exports of copper products increased by 153% in value, reaching \$511 million in 2005.
- The exports of copper wires, the most important group of the total copper exports, were recorded as \$183 million in 2005. The second major product group in total exports of copper products is copper stranded ropes. In 2005, the exports of Copper Stranded Ropes were \$174 million with an increase of 347% in value.
- Among Turkey's copper products exports in 2004, Italy ranked the first place. The U.S. was the second place with a value of \$60 million. Other major export markets for this products group were Israel, Bulgaria and Austria.

GOLD JEWELRY

- ❑ Turkey has a great jewelry tradition. The Turkish jewelry industry reflects this rich cultural heritage combined with latest technology, outstanding craftsmanship and modern designs.
- ❑ The unique heritage and level of proficiency in the Turkish jewelry sector allow any design to be created and produced at any amount with supreme craftsmanship, excellent finishing, flexible production and immense variety.
- ❑ At present, there are about 40,000 workplaces in the industry. Some 5,000 of them are mostly workshops and small-scale production units including about 35,000 medium and large scale enterprises. Approximately 250-300 tons of jewelry is produced every year in Turkey.
- ❑ Turkey today is fast becoming one of the preferred suppliers for international buyers of gold jewelry. Turkey is one of the global leaders, both in production and in exports, ranking among the top five countries in the world in gold jewelry production and second in Europe exports following Italy.
- ❑ In the mid 90's, firms started to employ designers and now most of the world's largest design teams work in Turkey. There are several design departments in the universities and vocational high schools in which designers and qualified employees are trained for the industry.
- ❑ The sector has a great level of production flexibility and this is a great advantage for supplying the special design demands of importers.
- ❑ The major companies in the industry have offices in the U.S., in Europe and in Dubai in the Middle East and in other countries in different regions of the world.
- ❑ Although gold jewelry is relatively a new sector on Turkey's export scene, its performance has been outstanding and export value has increased significantly in the last 10 years. Exports totaled \$1.3 billion in 2005, while exports were only \$23.6 million in 1993. The major destination countries were the U.S., the United Arab Emirates, Italy, Germany, Israel and the Russian Federation. Turkish jewelry exports to the U.S. reached \$369 million in 2005.

CERAMICS INDUSTRY

- ❑ Today, there are about 28 firms in the ceramic wall and floor tiles sector; 17 firms in the sanitaryware sector and eight in the households sector. Some 30 small scale ones also produce sanitaryware.
- ❑ There are hundreds of small workshops dealing in production in household articles sub-sector, as well. There are two companies in the technical ceramics sub-sector and some 10 companies in the refractory materials sub-sector.
- ❑ The major part of production belongs to ceramic wall and floor tiles in the ceramics industry. The second important group of items is sanitaryware and the third is household articles.
- ❑ Turkey ranks 5th in the world and 3rd in the Europe in the production of ceramic tiles. Turkey ranks 3rd in Europe and 4th in the world in the production of ceramic sanitaryware, as well.
- ❑ The Turkish tile industry continues to expand in recent years. In 2003, the production capacity has reached 260 million square meters by an increase of 10% as compared to that of the previous year. By the year 2004, with the completion of new investments the production capacity had been planned to reach 400 million square meters.
- ❑ Turkey is the largest sanitaryware producer in Europe. The total production capacity of the sector is about 15 million units. The major producers in this sub-sector are “Eczacıbaşı”, “Serel”, “Toprak”, “Ege” and “Kale”.
- ❑ Besides the large production capacity, Turkish wall and floor tiles and sanitaryware have exquisite designs and superior quality. Most of the large-scale companies have ISO 9,000 standards as well as the valid standards in major markets.
- ❑ Household ceramics production of Turkey largely meets the domestic demand.
- ❑ Exports of the ceramic industry have been increasing steadily. In 2005 exports totaled \$680 million. Approximately 50% of the exports are directed to the EU countries. The major export destinations were the UK, the U.S., Germany, Israel, Canada, France, Greece, Italy, Saudi Arabia and the Netherlands.
- ❑ Ceramic tiles constitute the major part of exports (\$373 million). Turkey ranks 3rd both in the world and in Europe in the exports of tiles following Italy and Spain.
- ❑ The second important group of products in the exports is sanitaryware (\$179 million) Turkey ranks 5th in Europe in the exports of sanitaryware following Italy, Germany, France and Spain.

GLASS INDUSTRY

- ❑ The glass industry is one of the most important and highly developed industries in Turkey.
- ❑ Turkish hand-made glassware has a good reputation abroad and best reflects Turkish art. Today, the number of glass products reaches thousands of items including hand-made and machine-made products.
- ❑ At present, “Türkiye Şişe ve Cam Fab. A.Ş.” is a group of companies in the sector, which accounts for approximately 90% of annual production with its twenty-six manufacturing establishments and ten marketing and financial companies.
- ❑ Turkish glass industry has a highly intensive production technology and a vast accumulation of know-how. The high level of production and outstanding design capacity, good quality, wide sales services and other related activities have placed the firm second in Europe and third in the world. The group ranks 10th amongst the top 25 firms in the world.
- ❑ The industry has shown an increasing trend in production in recent years and total production was approximately 1.8 million tons. The major part of production is taken up with flat glass, including both float and sheet types. The second group of items is glass containers and the third is glass household articles.
- ❑ Exports of the glass industry have been increasing continuously and totaled to \$630 million in 2005. Glass household articles constituted the main part of the exports. Glass fibre and glass wool together ranked the second and flat glass ranked the third in the total exports.
- ❑ Turkish glass industry products are exported to about 180 countries in the world. Approximately 50% of the exports are directed to the EU countries. The major export destinations were Germany, Italy, the UK, the Russian Fed., the U.S., France, Iran, Spain, Greece, Romania, Israel, Bulgaria, the Netherlands and Ukraine.
- ❑ Turkish exports to the U.S. reached \$32 million in 2005(24 million of which was glassware for table, kitchen).

FURNITURE

- ❑ Today, furniture is produced both in workshops and industrial-scale manufacturing units. Furniture production is highly fragmented among a large number of small workshops. These small workshops play an important role in producing hand-carved and handmade furniture. Workshops are flexible establishments in nature and have enough capacity and labor force to expand their production line in order to supply large orders.
- ❑ Large-scale furniture firms produce standard models by using automated mass-production techniques and most of their production is oriented towards exports.
- ❑ The sector employs 92,567 people and 29,346 companies manufacturing various types of furniture. In Turkey furniture production can be classified as massive furniture and veneered furniture.
- ❑ The main types of wood used in the manufacture of massive furniture in Turkey are ash, beech, oak, pine, linden and mahogany. In veneered furniture oak, beech, walnut and mahogany.
- ❑ Today most of large enterprises in the furniture sector are working with latest technology wood working machinery.
- ❑ Turkey's furniture exports have had a promising upward trend in recent years. In the last 10 years, exports of Turkish furniture increased from \$63.9 million in 1995 to roughly \$953 million in 2005. This is mainly due to improvements in quality and design. Main export products are: seats for motor vehicles, seats convertible into beds, other wooden furniture and metal office furniture. Turkey ranked 3rd in the world exports of seats convertible into beds.
- ❑ Turkey exports furniture to more than 160 countries throughout the world. The main markets for furniture exports are Germany, Iraq, the Netherlands, Greece, the U.S., France, the UK, Israel, Iran, Austria, and Romania. Turkish exports to the U.S. reached \$28 million in 2005.

MARBLE

- ❑ Turkey has a large quantity of marble reserves, which include a wide range of colors. Among more than 100 varieties of Turkish marble, marbles having shades ranging from very light gray to black and brilliant white are available in Turkey.
- ❑ Turkey has a 40% share of world marble reserves. The total reserves including proven, probable and possible reserves are about 5 billion m³. In Turkey annual block marble production is around 1,200,000 tons and the production of tiles and slabs is around 13 million square meters.
- ❑ Common characteristic properties of Turkish marbles are: Quality - free from any cracks or other defects; Color (there is a wide range of colors which allows a wide range of choice); Sizes (sufficient to yield big blocks) Uniformity (consistency in quality); Pattern (decorative arrangements of colors and crystal composition are possible).
- ❑ Modern production equipment and methods have been very important factors in the development of the natural stone industry in Turkey.
- ❑ The natural stone sector in Turkey has developed significantly in the last 10 years. Total natural stone exports were \$621 million in 2005. Processed marble ranks first with a \$628 million export earning. Block marble takes second place with \$158 million. The U.S. is the main exports destination for processed marble with \$316 million in 2005. The United Kingdom, Spain, Israel, Saudi Arabia and the Netherlands followed the U.S. in this product group.